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ALERT of the amendments to the Regulatory ruling of the Supreme Court of the Republic of Kazakhstan on tax legislation

The Supreme Court of the Republic of Kazakhstan drafted the amendments to the Regulatory ruling 'On judicial practice on application of tax legislation' dated 29 June 2017 No. 4[1]. The amendments affected the provisions on recognition of transactions as invalid on the basis of the claims from the state revenue authorities. Below you may find the main provisions of the draft:

- ▶ The state revenue authorities are entitled to submit the claims to the courts on recognition of transactions as invalid only upon finding the actual absence of the transaction in the course of the tax audit.
- ▶ The transaction shall not be recognised as invalid only on the basis of absence of the taxpayer's assets, buildings, vehicles, material and human resources or economic substance of the accounted transactions. The state revenue authorities shall in addition provide other evidence and arguments including the results of the taxpayer's tax audit, cross tax audits etc.
- ▶ The transaction performed on the basis of a fraudulent invoice may be recognised as invalid (void) only upon condition that the fact of the fraudulent invoice issue was confirmed by a final and binding judicial act: the court's sentence under Article 216 of the Criminal Code of the Republic of Kazakhstan dated 3 July 2014 or the court's ruling on administrative violation under Article 280 of the Administrative Code of the Republic of Kazakhstan dated 5 July 2014.

About GRATA International

GRATA International is the largest independent Kazakhstani law firm, and one of the leading law firms in Central Asia and the Caspian Region. GRATA has provided a wide range of legal services in these regions for over 25 years.

Throughout its existence the Firm has developed an experienced tax practice. In view of this, in 2005 the tax department was formed. Unlike many consulting companies, GRATA's tax team comprised mainly of lawyers and auditors who have experience of working in the tax authorities. This feature enables us to provide our clients not only correct but practically feasible advice.

Services

- ▶ Representation and Protection of Client's Interests in Tax Disputes;
- ▶ VAT Refund from the Budget;
- ▶ Support in Tax Audits;
- ▶ Taxation of Subsoil Users;
- ▶ International Taxation;
- ▶ Finance Taxation (securities, financial instruments, loan agreements);
- ▶ Corporate Taxation and Tax Planning;
- ▶ Individual Taxation;
- ▶ Tax Support and Structuring in M&A Transactions;

- ▶ Due Diligence of Tax Accounting (Tax Audit);
- ▶ Tax Administration;

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[1] The draft of the Regulatory ruling 'On amendments to the regulatory ruling of the Supreme Court of the Republic of Kazakhstan dated 29 June 2017 No. 4 'On judicial practice on application of tax legislation'.

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