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Tax and customs benefits for EXPO-2017 participants

The Agreement on benefits and exemptions for official participants connected with performance of the International specialized exhibition EXPO-2017 in Astana[1], the Rules on performance of tax obligations by persons entitled to benefits and exemptions in accordance with the Agreement[2], effective 17 June 2017, as well as the Rules on application of special customs procedure[3] provide for separate tax and customs regimes for EXPO-2017 participants.

These tax and customs regimes are applicable to the following persons:

- ▶ states and international organizations participating in EXPO-2017 represented by their offices registered in Kazakhstan (the Office of section commissary);
- ▶ representatives of states or international organizations participating in EXPO-2017 authorised to sign the agreement on EXPO-2017 participation (the Section commissary);
- ▶ the Section commissary deputies, directors of showrooms and other officials of states and international organizations participating in EXPO-2017 (the Staff) except for citizens of Kazakhstan or persons holding resident permit in Kazakhstan;
- ▶ spouses and children of the Section commissaries, the Section commissary deputies and directors of showrooms (the Family members) except for citizens of Kazakhstan or persons holding resident permit in Kazakhstan.

The Offices of section commissaries shall be registered as permanent establishments of legal entities representing states or international organizations, participating in EXPO-2017, in Kazakhstan. The Section commissaries, the Staff and the Family members shall be registered as Kazakh taxpayers. The registration is performed through the service centre on EXPO-2017 territory (the Service centre) within 24 hours from submission of documents.

The Offices of section commissary are entitled to apply the following benefits:

- ▶ exemption from payment of customs duties and taxes as well as application of non-tariff and technical regulation in respect of foreign goods imported to Kazakhstan within the framework of participation in the exhibition. Such goods are placed under the special customs procedure with use of transport (carriage), commercial and (or) other documents with the list of imported goods instead of the customs declaration on goods;
- ▶ exemption from payment of corporate income tax in respect of income received within the framework of participation in the exhibition;
- ▶ exemption from payment of social tax payable in respect of income paid to the Section commissary, the Staff as well as the Family members received under the agreement with the Office of the section commissary;
- ▶ return of value added tax paid upon purchase of goods, works and services within the framework of participation in the exhibition.

Upon completion of participation in the exhibition the Office of the section commissary shall fill in and submit the tax declaration under form 032.00 not later than 31 March 2018, containing data on corporate income tax, personal income tax and social tax, to the Service centre.

The following special regime is provided by the Agreement to the Section commissary, the Staff and the Family members:

- ▶ exemption from payment of customs duties and taxes as well as application of non-tariff and technical regulation in respect of foreign goods imported to Kazakhstan within the framework of participation in the exhibition. Such goods are placed under the special customs procedure;
- ▶ use of transport (carriage), commercial and (or) other documents with the list of imported goods instead of the customs declaration;
- ▶ exemption from payment of individual income tax in respect of income received under the agreement with the Office of the section commissary;
- ▶ return of value added tax paid upon purchase of goods, works and services in within the framework of participation on the Exhibition.

The abovementioned tax benefits are effective from 1 March 2016 till 31 December 2017, while the benefits on customs duties and taxes payable upon import of goods are in effect from 1 March 2016 till 9 March 2018.

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Assel Ilyassova
Partner
Head of Tax Department
+7 (727) 2445-777
+7 (701) 763-07-14
ailyassova@gratanet.com

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[1] The Agreement between the Government of the Republic of Kazakhstan and the International exhibition bureau on benefits and exemptions for official members connected with performance of the International specialized exhibition EXPO-2017 in Astana ratified by the Law of the Republic of Kazakhstan dated 1 March 2016 No. 467-V;

[2] The Rules on performance of tax obligations by persons entitled to benefits and exemptions in accordance with the Agreement between the Government of the Republic of Kazakhstan and the International exhibition bureau on benefits and exemptions for official members connected with performance of the International specialized exhibition EXPO-2017 in Astana approved by the Order of the Ministry of finance of the Republic of Kazakhstan dated 30 May 2017 No. 348;

[3] The Rules on application of special customs procedure, aspects of its application, conditions of placement of goods under special customs procedure, limitations on use and disposal of goods, methods and procedure of completion of special customs procedure as well as the list of persons authorized to place the goods imported to the Republic of Kazakhstan under this customs procedure approved by the Decree of the Government of the Republic of Kazakhstan dated 15 July 2015 No. 522.

地区

哈萨克斯坦共和国

主要联系人



Assel Ilyassova

Partner

📍 阿拉木圖，哈萨克斯坦共和国

☎ +7 701 763 0714

✉ ailyassova@gratanet.com