

EXPANDED LIST OF INTERNATIONAL BUSINESS OPERATIONS SUBJECT TO MONITORING

ATTENTION!

24 December 2024 marked the issuance of the [Order](#) No. 866 of the Minister of Finance of the Republic of Kazakhstan "On Introduction of Amendments into the Order No. 194 of the Minister of Finance of the Republic of Kazakhstan dated 19 March 2015 on Approval of the List of Goods (Work, Services), International Business Operations with Which Shall be Subject to Monitoring of Transactions" (the "**Order**"). The Order entered into force on 10 January 2025.

The Order approves the expanded list of goods (work, services), international business operations with respect to which are subject to monitoring in the framework of transfer pricing. These changes are intended to strengthen control over transfer pricing and prevent from the loss of public revenue.

■ Subject of Changes

The key regulatory legal act regulating the monitoring of transactions as part of international business operations is the Kazakhstan Law "On Transfer Pricing" dated 5 July 2008 (the "**Law**").

Control over international business operations, including in the form of monitoring, is established by Article 3 of the Law. This Article also establishes that the control may be exercised in the form of monitoring.

Article 6.2 of the Law establishes that subject to transaction monitoring must be international business operations with goods (work, services), the list of which is approved by the Ministry of Finance.

The said [list](#) was expanded and supplemented according to the Order by the following items:

- coal;
- hydrogen, inert gases and other non-metals;
- hydrocarbons;
- polymers of ethylene and propylene;
- sulphur;
- aluminum and aluminum wire;
- semi-finished products made of iron;
- rare earth metals;
- bitumen;
- rice;
- barley;

- wheat or rye-wheat flour;
- seeds (flax, sunflower);
- sunflower oil, safflower oil or cottonseed oil.

■ **Monitoring Procedure**

According to Article 6.4 of the Law, transaction monitoring includes the procedure for filling out the approved forms of reporting on transaction monitoring by a transaction participant and their submission to the state revenue authority, as well as the procedure for keeping documents on transaction monitoring.

According to Article 7 of the Law, the transfer pricing reporting includes as follows:

- local reporting;
- main reporting; and
- country-by-country reporting.

A relevant type of reporting is submitted depending on the type of entity, which is a participant to a transaction according to the criteria established by Articles 7-1, 7-2, 7-3 of the Law.

The reporting must confirm justifiability of the applied prices and include general information on a transaction, parties participating in the transaction, price formation methods, and economic and legal factors affecting the price formation. The reporting must contain the data allowing to establish whether the prices correspond to the market conditions and comply with legislation requirements. You can find more detailed information on the content of the reporting [here](#).

The reporting period is a calendar year.

The filled out reporting forms on transaction monitoring are submitted in the electronic form allowing for computer processing of information or by way of the tax reporting acceptance and processing system of the state revenue authority.

The reporting forms submitted via the tax reporting acceptance and processing system before 23:59 of the last day of the established term are deemed as to have been submitted in time. The reporting submitted in the electronic form is confirmed by a notice from the state revenue authority within 2 business days.

If failing to perform the obligations on reporting submission, an entity will be subjected to administrative liability stipulated by Article 273 of the Administrative Code. This Article establishes a sanction in the form of a fine in the amount from 100 MCI to 1,000 MCI, depending on the degree of failure to perform the required obligations and the scale of a business entity.

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