

Are you ready for a tax audit?



We have prepared a list of questions to help you determine the risk your company may undergo a comprehensive (complex) tax audit

Please answer the following questions:

1. Is the 2013–2015 period open for a complex tax audit (no tax audit conducted for this period)?
Yes No
2. Do you receive desktop audit notifications once / month or more often?
Yes No
3. Did you file more than two additional declarations for any type of tax in one tax period?
Yes No
4. Do you follow the same / similar tax accounting approach as resulted in additional tax charges during previous tax audits?
Yes No
5. Has the Company a significant overpayment of CIT (ie more than the CIT liability for the most recent financial year) on its tax accounts?
Yes No
6. Is your company's tax burden ratio below the relevant [industry average](#)¹ ?
Yes No
7. Has your Company experienced tax losses in any of the last three years?
Yes No

If the answer to at least two questions is yes, the risk of a complex tax audit is high. A preparatory tax review to identify, assess and minimise existing tax risks is strongly advised.

¹ Order of the Minister of Finance (28 December 2015 # 691) "On approval of the Rules of calculation of tax burden ratio of the taxpayer (tax agent)" Please refer to the State Revenue Committee web site for industry average coefficients

PwC tax disputes resolution group

In the event of a tax dispute, we are able to help at any stage. However, the earlier in the process we are involved, the greater the likelihood of a positive outcome. Our team includes staff with long experience in the pre-court and court settlement of tax disputes, some of whom previously worked for the tax authority. To resolve tax disputes, we are committed to:

- legal assistance and support during documentary (on-site) and desktop (remote) tax inspections, including communication with the authorities;
- preparation of the draft appeal (based on tax inspection results);
- assistance during administrative proceedings related to tax offenses;
- representation of clients at court;
- expert evidential support at court hearings;
- assistance with mutual agreement procedures (MAP) with foreign tax authorities;
- assistance with development, support and submission of proposed changes to tax legislation;
- VAT and withholding tax refunds.

Our experience

- tax reviews, the results of which helped companies in different sectors to save app. 35 bln. tenge in tax;
- challenge additional withholding tax charges during on-site audits, resulting in savings, including fines and penalties, of more than 1 bln. tenge;
- assist two large oil companies in reducing CIT and excess profits tax assessments from transfer pricing tax inspections. Assessments appealed successfully were over 13 bln. tenge;
- assist the branch of a multinational group appeal regarding allocation of head office general and administrative expenses. Assessments appealed successfully were over 4,5 bln. tenge;
- appeal of administrative fine of app. 100 mln. tenge (within an administrative case related to CIT);
- significant role in development of (clarifying) amendments to the tax legislation regarding application of reverse charge-VAT;
- significant role in development of the formula for calculation of production cost of natural gas extracted from oil for CIT purposes;
- assist a large mining company confirm the export of goods resulting in a VAT refund over 500 mln. tenge.

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