
The “Virtual Warehouse” module of the “e-invoicing” information system

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In brief

Since 1 April 2018, the Virtual Warehouse (“VW”) module of the “e-invoicing” information system has been operating in a trial mode.

This was envisaged by Order No. 270 of the Minister of Finance dated 23 February 2018 “On approval of the Rules for e-invoice issuing through the e-invoicing information system”.

In detail

Background

The purpose of the VW module is monitoring of inventory movement from importation or production in Kazakhstan until sale to the final customer or export. The introduction of the VW module enables the authorities monitoring the movement of goods in Kazakhstan on a real-time basis.

The VW module automates processes for recognition of and accounting for goods, stores electronic documents used to register goods in the VW and keeps records of movement of goods (write-off, sale, production etc.). If goods are not in the VW module, their sale is impossible, as the e-invoicing information system prevents a taxpayer from issuing an e-invoice for goods, which are not recognized in the VW module.

Legislation does not contain a detailed explanation of the VW module. Links to the instructions and the API-interface are on the official website of the State Revenue Committee (<http://kgd.gov.kz/ru/content/virtualnyy-sklad-1>).

Applicable Goods

From 1 April 2018, the obligation to maintain goods in the VW module applies to taxpayers importing and (or) selling vehicles with reduced rates of import customs duties (235 commodity items per Decision No. 18 of the Council of the Eurasian Economic Commission dated 26 January 2018).

According to the draft Order of the Ministry of Finance “On the approval of the list of goods subject to sale through the VW module”, it is expected that from 1 January 2019, the list of goods, which should be maintained in the VW module, will be gradually extended. In accordance with the current version of the draft Order, this list of goods would include, *inter alia*, refrigerators, cane or beet sugar, monitor displays, cameras, etc. (<http://ank.kz/post/proekt-prikaza-proekt-prikaza-ob-utverzhdanii-perechnya-tovarov-realizuemyx-posredstvom-modulya-virtualnyj-sklad-informacionnoj-sistemy-elektronnye-scheta-factory>).

Furthermore, it is anticipated that from 1 January 2019, the VW module would also apply to taxpayers importing and (or) selling the coal (http://online.zakon.kz/Document/?doc_id=32227135#pos=3;-132).

Consequently, companies importing and (or) selling goods specified in the final (binding) list should maintain accounting of such goods in the VW module.

The takeaway

If the requirement to maintain goods in the VW module is applicable to your company, you need to:

- become familiar with the principles and rules of the VW module;
- assess the impact of the VW module on your business processes and functions including staff related matters;
- review the configuration of ERP systems for integration with the VW module;
- adapt existing policies: the VW module may affect various departments, including procurement, warehousing, sales, logistics, legal, finance and tax;
- ensure the timely recognition of balances of goods in the VW module, which could be time consuming;
- communicate with suppliers and customers, where necessary.

How PwC can help you?

We will be pleased to support you in implementing the VW module of the e-invoicing information system. Our services may include:

- reviewing processes of accounting for goods and readiness for integration with the VW module;
- identifying areas that requires change: ERP / accounting systems, the process of mandatory data entry (quality and completeness), policies and procedures for responsible personnel;
- making recommendations for transition to a new system on accounting for goods and recommendations for internal controls and their formalization;
- considering the readiness of ERP systems for integration with the VW module and their configuration;
- developing the policy for accounting for goods in the VW module (including security and control) that will be in compliance with the Kazakhstan accounting, tax and customs legislation;
- providing training for the staff involved.

Tax and Legal Alert

PwC Kazakhstan

Contacts

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