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 twice / 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, exceeding CIT liability for 2 times on the last financial year on its tax accounts?
   - Yes [ ]
   - No [ ]

6. Is your company’s tax burden ratio below the relevant industry average \(^1\) (10%)?
   - 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.

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\(^1\) 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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