

Main changes in tax legislation in respect of value-added tax (VAT) effective from January 1, 2017.

edition №39



Along with a gradual decrease of the minimal threshold for sales turnover that is subject to VAT registration as well as gradual shift to issuance of VAT invoices in the electronic form, which we published in our previous alert, the following changes were introduced in respect of VAT:

- 1.** Loan transactions made in cash shall be exempt from VAT if place of supply is the Republic of Kazakhstan (RK) and such loans are interest bearing, short-term and repaid in fact.
- 2.** Input VAT is eligible to offset in the tax period in which the latest of the following dates arise:
 - ☐ date of receipt of goods, works, and services;
 - ☐ date of invoice.
- 3.** A provision stipulating VAT deregistration in case information about sales turnover and purchases of goods, works and services are not declared in tax returns within two consecutive tax periods is now excluded.
- 4.** It is established that issuance of invoices is not required in case of sales of goods, works, and services via post-terminals.
- 5.** Taxable turnover could be adjusted without issuance of additional invoice if realisation of goods, works, and services was made in cash or via post-terminals.
- 6.** VAT payment by so-called “offset method” shall not be applied in respect of import of goods if such goods are further transferred to international financial leasing.

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