
Criminal Code

The Law amends the criminal liability thresholds under the following articles of the RK Criminal Code:

► For Article 235, *Failure to comply with the repatriation requirement concerning national and (or) foreign currency*, the threshold has increased from MCI\(^1\) 15,000 to MCI 45,000 (approx. from USD 101,000 to USD 301,000) (for large size amounts);

► For Article 245, *Evasion of payment of taxes and (or) other obligatory payments to the budget by companies*, the threshold has increased from MCI 20,000 to MCI 50,000 (approx. from USD 134,000 to USD 334,000) (for large size amounts) and from MCI 50,000 to MCI 75,000 (approx. from USD 334,000 to USD 501,000) (for extra large size amounts).

Clarification on exemption from liability under the RK Criminal Code

Article 244, *Evasion by a citizen from paying tax and (or) other obligatory payments to the budget* and Article 245 has been updated.

► Specifically, the new version removes the words ‘for the first time’ from the footnote to Articles 244 and 245. Thereby, an individual, who voluntarily settles the tax arrears and late payment interest, is exempt from criminal liability regardless of the number of times of committing a violation.

New grounds for exemption from criminal liability have been introduced in several articles of the RK Criminal Code, namely:

► The footnote to Article 235 now indicates that an individual who has committed an act provided for therein for the first time is exempt from criminal liability, provided the funds in question have been fully repatriated to the bank account in compliance with the RK currency

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\(^1\) Monthly calculation index, set at KZT 2,525 for 2019 (approx. USD 6.67)
control legislation.

► Article 241, Violation of the accounting and financial reporting legislation of the Republic of Kazakhstan and Article 243, Illegal use of a bank’s funds now have a footnote whereby a person, who has committed the acts provided for therein for the first time, is exempt from criminal liability, provided the loss has been voluntarily compensated.

Importantly, since the Law in general lessens the liability and has a positive impact on individuals, it should apply retroactively (i.e. to events that arose before the Law’s enactment).

Administrative Offenses Code

The fines for tax-related violations have been increased as follows:

► Concealment of taxable items due to be reflected in tax reports (Article 275) entails a fine now increased from 150% to 200% of the amount of taxes and other obligatory payments payable for the concealed taxable item. A violation hereunder repeated within a year after imposition of administrative liability entails a fine that has been increased from 200% to 300%.

► For understatement of the amounts of taxes and other obligatory payments to the budget (Article 278), the fines have been increased as follows:
  - for small business entities or non-commercial organizations - from 15% to 20% of the additionally charged amount of taxes and other obligatory payments to the budget;
  - for medium-sized businesses - from 30% to 50%, respectively;
  - for large businesses - from 50% to 80%.

► For the issuance of a fictitious VAT invoice (Article 280), the fines have been increased as follows:
  - for small business entities - from MCI 35 (approx. USD 234) to 100% of the amount of VAT included in the respective invoice;
  - for medium-sized business - from 120% to 200%;
  - for large businesses - from 200 % to 300%.

In this case, the Law should not apply retroactively as it signifies the liability for administrative offenses.

Code on Taxes and Other Obligatory Payments to the Budget (Tax Code)

A new late payment interest calculation procedure is introduced for CIT and PIT (for individual entrepreneurs operating under the general tax regime). The newly calculated late payment interest applies if additional tax reporting is filed before 1 September of the year following the reporting period, in the amount of 0.65 times the official refinancing rate for each day of delay.
Contact Information

We hope that you found this overview helpful. For additional information, please address the following specialists:

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