Searching for a partner to take care of your day-to-day compliance in Kazakhstan?

EY outsourcing solutions
EY Global

• Over 100 years of global history
• 728 offices in 150 countries
• More than 230,000 employees

EY in Kazakhstan

• 25 years in Kazakhstan
• Almaty, Astana, and Atyrau
• More than 600 employees
EY is a global firm with over 230,000 staff based in 728 offices in 150 countries, organized into 28 regions and 4 areas. EY makes a significant input in supporting a favorable business environment. The insights and quality services we deliver help to build trust in the capital markets and economies the world over.

Our global business process outsourcing practice comprises over 11,000 professionals providing services in over 140 countries. The CIS business process outsourcing practice employs seasoned professionals in financial accounting and tax accounting, HR administration, payroll, migration and legal support, providing B2B services to more than 250 multinational companies.

Over the past 25 years our practice has developed into the largest professional services network in the CIS: a group of 20 offices in 9 CIS countries, staffed by 4,500 professionals.

EY was the first professional services firm to open an office in Kazakhstan, back in 1992. Today, our Kazakhstan network of three offices in Astana, Almaty and Atyrau is headed by 13 partners and staffed by over 600 professionals.

EY clients in Kazakhstan include various industry and business leaders operating in sectors such as
- oil and gas
- the power industry
- metals
- manufacturing
- retail and consumer products manufacturing
- rail transport
- telecoms
- IT
- banking and financial services.
Financial accounting outsourcing
- Methodology (adoption of IFRS, creation of financial accounting policies, etc.)
- Bookkeeping in accordance with IFRS and US GAAP
- Reports (preparation and submission):
  - statutory reports (financial, statistical)
  - corporate reports, tailored to the client’s request
- Financial accounting review & restoration services
- Financial accounting advisory services

Payroll outsourcing
- Methodology (initial set-up, creation of policies and procedures, etc.)
- Payroll calculation services (1C)
- Calculation of payroll taxes for expatriate employees
- Reports (preparation and submission):
  - statutory reports (tax, statistical)
  - corporate reports, tailored to the client’s request
- Payroll review & restoration services
- Payroll calculation advisory services

Tax accounting outsourcing
- Methodology (initial set-up of the tax accounting framework, creation of tax accounting policies, etc.)
- Tax reports (all types, including personal tax returns), preparation and submission
- Representation of the client’s interests before the state authorities
- Tax accounting review & restoration services
- Tax accounting advisory services

HR administration outsourcing
- Methodology (initial set-up, design of document templates, policies, procedures, instructions, etc.)
- Maintaining HR accounting records in 1C
- Support in employment agreement termination procedures (negotiations, preparation of documents, etc.)
- Reports (preparation and submission):
  - statutory reports (statistical, employment authorities)
  - corporate reports, tailored to the client’s request
- HR administration review & restoration services
- Advisory services in maintaining HR records, tax, labor and migration aspects of hiring expatriate personnel in Kazakhstan (direct hires, secondments, others)

Tax advisory services
- Tax review services
- Tax structuring
- Tax controversy
- Transfer pricing
- Other tax advisory services
**HR advisory services**
- Development of HR strategy and transformation of the HR function
- Running HR training courses and improving interaction between the HR function and staff
- Labor market research and salary surveys in Kazakhstan and the CIS
- Design of personnel career development and succession planning frameworks
- Improvement of employer brand effectiveness
- Design of the personnel motivation and compensation framework
- Personnel competencies assessments and performance appraisals
- Organizational design and headcount optimization
- Diagnostics and development of corporate culture
- Research of engagement and satisfaction of personnel
- Automation of the HR function and building of HR shared service centers (HR SSC)

**Immigration services**
- Advice on immigration implications for various types of transfers to Kazakhstan
- Individual meetings with expatriate assignees planning to work in Kazakhstan to discuss the key requirements of domestic immigration regulations
- Work permits (first-time application/extension)
- Visa support (business and work visas, including visas for dependents)
- Registration with the migration authorities
- Statistical reports (preparation and filing)
- Quotas for foreign employees (preparation and filing of applications)
- Tax IDs for expatriate employees (assistance with preparation and filing of documents)

**Legal services**
- Legal structuring (legal support of M&A deals, including internal group restructuring, preparation of documents, obtaining approvals from state authorities, etc.)
- Local legal advice covering corporate law, banking law, financial law, customs law, trading law, subsurface use, competition protection, personal data protection, etc.
- Client support in litigation (including representing the client's interests in court and other state authorities of the Republic of Kazakhstan)
- Corporate secretarial services (preparation of corporate documents, including resolutions/minutes/orders of the company's governance bodies and other documents)

**Tax controversy**
- Assistance with solving tax controversy issues (representation in tax disputes)
- Assistance and support during tax in-house audits
- Assistance in preparing for and going through a tax audit
- Assistance in appealing the results of a tax audit to a higher tax authority and courts at various levels
- Assistance and support during administrative proceedings
- Assistance and support during criminal proceedings (developing a defense strategy, engaging a licensed advocate)
EY's team, with 25 years of experience in Kazakhstan, **provides the complete range of services** that you will need to properly fulfill your Kazakhstan compliance and reporting obligations, no matter which type of presence you have:

**Why EY?**

EY has a significant Tax & Law practice all over the world, as well as in Kazakhstan. Over 250 leading and progressive companies are currently doing business in cooperation with EY Kazakhstan. We have various business offerings in our portfolio, which meet the highest demands and expectations of our clients.

**Key strengths:**
- High quality and flexible pricing policy
- Broad industry expertise and access to global resources
- Strong team, multi-level review system

**Options for cooperation**

You may choose the preferred option from the following list:

1. **Full-scope solution**
   - **For a new business** – pre-entry research, initial set-up, and regular services. We will support you in establishing an office in Kazakhstan and selecting the most tax-efficient organizational structure. After that we will carry out all support functions as your outsourcing partner, so that you can focus on your core business goals.
   - **For an existing business** – we will provide support in your day-to-day operations as your outsourcing partner (all services)

2. **Bundled solution** – an option to choose several support services. Example: outsourcing of financial and tax accounting functions, and/or payroll and HR administration, etc.

3. **Optional solution** – one or more services that you select.
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<td>Personal Account manager</td>
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<td>3 hours of free spoken consultations in financial accounting (per quarter)</td>
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<td>Health check of existing financial accounting</td>
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<td>Business health check across seven growth factors (EY Growth Navigator™)</td>
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<td>Support during an audit of the financial statements (30 hours per year)</td>
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<td>Subscription to general alerts on changes, new amendments, etc</td>
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<td>EY International GAAP (3 books)</td>
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<td>Attending EY workshops and seminars</td>
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EY solutions for doing business in Kazakhstan

**Market research**

1.5–2 months prior to incorporation

- Legal issues
  - Tax issues
  - Accounting issues
  - Immigration issues
  - Labor market research and salary surveys
  - Payroll issues
  - HR issues

**Initial set-up**

3–6 weeks following incorporation

- Registration of a legal entity
  - Initial set-up of financial accounting and tax accounting
  - Initial set-up of payroll and HR administration
  - Others

- Tax and legal structuring
- Tax advisory services
- Analysis of the client's business, preparation of the legal action plan to enter the Kazakhstan market
- Salary survey and key features of the Kazakhstan labor market
- Advice on hiring foreign personnel from the tax, immigration and legal perspectives
- General information on statutory accounting requirements
- Review of the most important issues in financial accounting

- State registration of the chosen form of presence
- Obtain corporate seal
- Obtain applicable permits and licenses, and send out required notices
- Obtain an electronic digital signature and electronic keys
- Open bank accounts and set up an online banking
- Set up of an a 1C accounting database and enter information into the system, automate management reporting
Regular services

After initial set up

- Financial accounting in accordance with IFRS
- Preparation of financial statements
- Corporate reports (IFRS and US GAAP)
- Transfer pricing
- Preparation of tax reports
- Tax advisory services
- HR advisory services
- HR administration
- Payroll calculation/payroll taxes for expatriate employees
- Review and preparation of documents as needed (corporate, labor and other documents)

- Representation of the client’s interests before the state authorities
- Immigration services
- Legal advisory services (corporate law, banking law, finance law, customs law, trade law, contract law, etc.)
- Dispute resolution, including tax controversy
- Tax structuring
- Financial and accounting advisory services
- Financial accounting review & restoration services
Success stories

EY has been a reliable partner for many companies outsourcing their accounting and tax functions in Kazakhstan for 25 years now. Our clients’ profiles vary in terms of the nature and volume of their business operations, geography of presence, number of statutory reporting forms, etc. The EY practice has a lot of success stories. A few of the most interesting ones are provided below.

**Client:** A major global FMCG company with a chain of production plants in over 60 countries employing about 100,000 full-time staff.

**Project:** Optimize report preparation procedures in order to reduce monetary costs and free up the client’s human resources.

**Outcome:** The EY team provided full diagnostics of existing processes and designed optimization recommendations. Having analyzed the proposed options, the client decided to outsource the financial reporting and tax accounting functions in EY.

**Value for the client:**
- Reduction in monetary costs
- Confidence that high-quality reports will be prepared on time
- Opportunity to re-allocate human resources as required by the company’s latest plans

**Client:** A major Kazakh oil and gas company.

**Project:** The client is responsible for the calculation of personal income tax (PIT) payable by secondment expatriate personnel based on compensation data and invoices. In order to ensure complete and timely compliance, the amounts of compensation paid by the home party had to be efficiently reconciled with the amounts re-charged to the client based on invoices.

**Suggested solution:** Reconciliation of the amounts indicated in the individual invoices and the compensation paid by the home party, during which a significant difference was identified. Following that, the PIT for the respective periods was recalculated, with the additional returns filed with the tax authorities.

**Outcome:** The EY team helped the client to save up to USD 300,000 by eliminating the risk of assessment of penalties and potential criminal liability if a tax audit identify these differences.

**Value for the client:**
- Mitigation of risks (monetary/reputational)
- Submission of correct tax reports on time
- Access to EY’s international expertise
Selection of our rankings and awards globally and in the CIS


**European Tax Compliance and Reporting Firm of the Year** in 2016 for the fourth consecutive year at the annual International Tax Review (ITR) European Tax Awards.

**Financial Adviser of the Year** 2013, Infrastructure Journal Awards.

**National Tax Firm of the Year** in Ukraine 2015 at the ITR European Tax Awards. International Tax Review. EY Ukraine has **won this category four times** since the launch of the award in 2005.


In March 2014, EY won the **AMCF Spotlight Awards in the following five categories:** Change Management, Growth Strategies, Developing Markets, New and Digital Media, and Operating Model Design.

In May 2015, EY again won the **AMCF Spotlight Awards in the following categories:** Change Management, Corporate Social Responsibility, Growth Strategies, Human Capital, and Project of the Year.

In 2016, **for the 18th time, EY won the Most Admired Knowledge Enterprise (MAKE) award** established by the KNOW Network and Teleos.
Our team

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More than 20 years of experience in providing tax advisory services to clients in the CIS countries; international taxation experience related to transfer pricing, corporate restructuring, efficient tax structuring of supplies and structuring cross-border investments of groups of companies

Prior to joining the EY Almaty office, Konstantin led the international tax planning team within the Transfer Pricing group of EY Moscow

Member of the Association of Charted Certified Accountants (ACCA)

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Amandgeldy has more than 18 years of experience in transaction support, business analysis, financial management, organizational re-engineering, and audit

He has an in-depth understanding of key client issues. This allows him to assemble highly qualified teams that reduce the client’s risks and increase the value of transactions to their business

Amangeldy holds CPA, CMA, CISA and ABV professional qualifications

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Over 19 years of experience in companies providing tax advisory services in Kazakhstan

Doniyorbek has taken part in many projects dealing with tax issues and business consulting

He has performed tax reviews and legal due diligence for both foreign and domestic companies, and has prepared recommendations for corporate and individual clients on various taxation and planning issues in Kazakhstan and other countries of Central Asia

Member of the Association of Charted Certified Accountants (ACCA)
Over 12 years of broad experience in corporate, customs, contractual and regulatory law

Borys specializes in M&A transactions. He focuses on Ukrainian and Kazakh cross-border deals, anti-trust issues, legal due diligence, contract and corporate, commercial and labor law. He has also advised clients on public-private partnership projects (including those financed by the IMF)

Borys received his Master of Law degree in private international law from the Institute of International Relations, Taras Shevchenko National University of Kyiv

Over 13 years of advisory in Kazakhstan, Russian, US and international taxation of individuals. Has extensive experience in helping both international corporate and individual clients resolve complex tax issues in various jurisdictions, and in designing international assignment structures.

Has worked in EY offices in Moscow and New York, where he has dealt with designing and implementing a range of corporate-wide global mobility policies, established and supported global employment organizations, and managed clients’ global tax compliance programs.

Vladimir is a Certified Public Accountant (CPA)

Over 11 years of experience in business development in various areas, such as HR consulting, recruitment, including of top executives, and outsourcing of business processes and functions

Zamira has knowledge and competencies in business development in the B2B sector, fundamentals of marketing and B2B online promoting activities, re-engineering and optimization of business processes, etc.
Contacts

Are you interested in EY’s solutions?

› We will help you find the information you need:
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  EY.Outsourcing@kz.ey.com

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Instagram: @EYKazakhstan
Thank you for 25 years, Kazakhstan!

In 1992, we were the first international assurance and advisory services organization to open an office in Kazakhstan.

This year we celebrate 25 years of operations and would like to thank our staff, clients and partners for their contribution to the development of business in Kazakhstan.

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About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY works together with companies across the CIS and assists them in realizing their business goals. 4,500 professionals work at 20 CIS offices (in Moscow, St. Petersburg, Novosibirsk, Ekaterinburg, Kazan, Krasnodar, Rostov-on-Don, Togliatti, Vladivostok, Yuzhno-Sakhalinsk, Almaty, Astana, Atyrau, Bishkek, Baku, Kyiv, Tashkent, Tbilisi, Yerevan, and Minsk).

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