





ABOUT KAZAKHSTAN

ADVANTAGES

Armenia is a landlocked country located in the South Caucasus region of Eurasia. It is bordered by Turkey to the west, Georgia to the north, Azerbaijan to the east, and Iran to the south. Yerevan is the capital and largest city of Armenia. Armenia has a long and rich history, with its culture and traditions dating back thousands of years. It was the first country in the world to adopt Christianity as its official religion in 301 A.D. Armenia has faced many challenges throughout its history, including being ruled by various empires and experiencing genocide in the early 20th century. Today, Armenia is a democratic republic with a population of around 3 million people. Its economy is primarily based on agriculture and mining, with tourism also playing an increasingly important role. The country has a diverse and unique cultural heritage, including its music, literature, art, and cuisine.

Kazakhstan has signed double tax avoidance (DTA) agreements with over 60 countries worldwide. Some of the countries that Kazakhstan has signed DTA agreements with include Russia, China, the United States, Germany, France, the United Kingdom, Canada, Turkey, South Korea, and the United Arab Emirates. These agreements are aimed at avoiding double taxation of income earned by residents of the contracting states and promoting cross-border trade and investment. Kazakhstan offers several special advantages to foreign investors, including:

Strategic Location:

Kazakhstan is strategically located at the crossroads of Europe and Asia, making it an ideal gateway for businesses looking to enter the markets of both regions.

Natural Resources:

Kazakhstan is rich in natural resources, including oil, gas, minerals, and agricultural land. This provides opportunities for businesses in the energy, mining, and agriculture sectors.

Economic Stability:

Kazakhstan has a stable economy and a low inflation rate. The government has implemented various economic reforms to attract foreign investment and promote economic growth.

Business-Friendly Environment:

The government of Kazakhstan has made efforts to create a business-friendly environment, with measures such as simplified procedures for company registration and tax incentives for investors.

Skilled Workforce:

Kazakhstan has a well-educated and skilled workforce, particularly in the fields of engineering and technology.

Infrastructure:

Kazakhstan has invested heavily in infrastructure development, including modern transportation and communication networks, to support business activities.

Government Support:

The government of Kazakhstan provides support to businesses through various programs, including export promotion and investment incentives.

SIMPLE TAX REGIME

Kazakhstan has a simple and transparent tax regime that makes it an attractive destination for foreign investors. Here are some key aspects of the tax regime in Kazakhstan:

Personal income tax

In Kazakhstan, the personal income tax (PIT) rate is a flat rate of 10%. This means that all income earned by residents and non-residents is subject to the same tax rate.

There are no tax brackets or tax slabs in Kazakhstan's PIT system. Instead, the tax is calculated as a percentage of the individual's total taxable income. Taxable income includes all income received by the individual during the tax year, including wages, salaries, bonuses, dividends, rental income, and capital gains. Certain deductions, such as contributions to a pension fund and social security payments, may be allowed to reduce the taxable income.

Corporate Income tax

This tax is levied on the income of businesses and is charged at a flat rate of 20%.

Value-Added Tax (“VAT”)

This is a tax on goods and services that is charged at a rate of 12%. Some goods and services are exempt from VAT.

Social Tax

This is a tax levied on the salaries of employees to fund the social security system in Kazakhstan. The current rate of social tax in Kazakhstan is 11%.

Property Tax

This tax is levied on the value of property owned by individuals and legal entities. The rate of property tax in Kazakhstan ranges from 0.1% to 1% depending on the type of property.

Social insurance contributions

Employers must pay social insurance contributions, which form part of social tax, at the rate of 3.5% of income paid to employees (Kazakh citizens and foreigners holding a residence permit).

Excise tax

A tax on specific goods, such as tobacco products, alcohol, and gasoline. The rate varies depending on the product. Tobacco has 30% tax rate whereas the excise tax rate on alcohol in Kazakhstan ranges from 70 tenge to 230 tenge per liter, depending on the type of alcohol.

KAZAKHSTAN COMPANIES

Kazakhstan is a vast country with a diverse economy, and there are many different kinds of companies operating in Kazakhstan. Some of the most common types of companies in Kazakhstan:

Joint Stock Company (“JSC”)

A joint stock company is a legal entity issuing shares to raise funds for operation of its business. Shareholders' risks are limited to the value of their shares. Shareholders are liable for the obligations of the JSC only in exceptional cases, e.g. when it is established that the shareholders' actions have caused the bankruptcy of the JSC. The minimum charter capital requirement to a joint stock company is about 350,000 US dollars.

General Partnership

A general partnership is a business owned by two or more partners who share the profits and losses equally. Each partner is personally liable for the debts and obligations of the business.

Limited Liability Partnership (“LLP”)

A limited liability partnership (LLP) is the most common legal form of a legal entity in Kazakhstan covering over 95% of all legal entities in the country. This form of business organisation is quite flexible and is not subject to numerous control and monitoring procedures.

Sole Traders

Citizens of the Republic of Kazakhstan and qandases (returnees) may run business as sole traders not incorporated as legal entities and not registered otherwise. However, when a Kazakhstan citizen or qandas hires permanent staff or when income from their business activity exceeds 12-fold minimum wages, they must get registered as a sole trader. Such registration is a simple and easily realisable notification procedure. Registration of a sole trader does not form a legal entity.

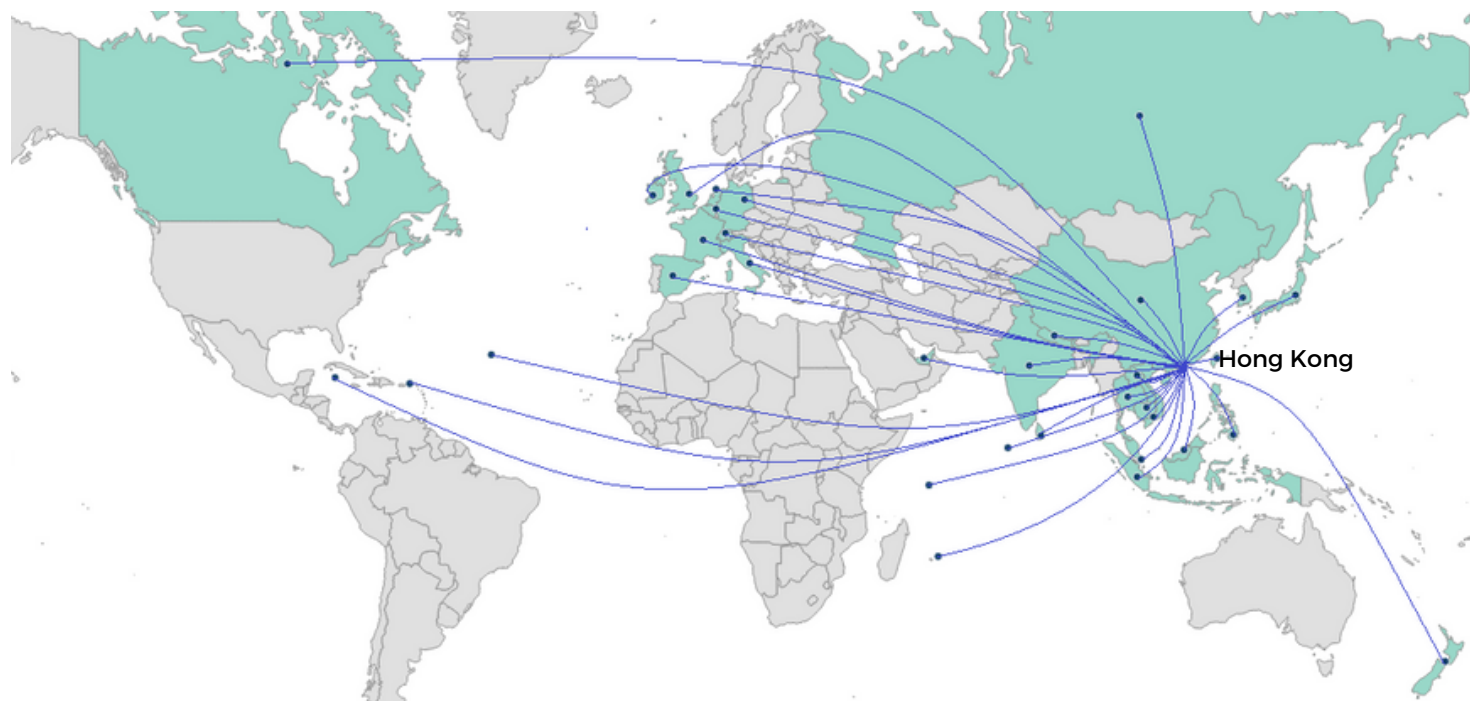
Subsidiary

A subsidiary is a legal entity whose decisions can be determined by another legal entity by virtue of a majority interest in its authorised capital or an agreement between such entities or otherwise. In Kazakhstan, subsidiaries are incorporated, as a general rule, in the form of a limited liability partnership (LLP) or a joint stock company (JSC).

Representative Office

A foreign company can also establish a representative office in Kazakhstan, which is not a separate legal entity and is limited to conducting non-commercial activities.

SERVING CLIENTS WORLDWIDE



The information contained herein is of a general nature. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. The information is not offered as an advice on any matter, and no one should act or fail to act based on such information without appropriate legal advice after a thorough examination of the particular situation. The information does not make us responsible or liable for any errors and/or omissions, whether it is now or in the future. We do not assume any responsibility and/or liability for any consequences.

Key Contact



Surendra Singh Chandrawat

Managing Partner

✉ surendra@chandrawatpartners.com

☎ (+852) 3543 0022

☎ (+852) 9042 0000

Connect Surendra on

LinkedIn

WhatsApp

WeChat

Chandrawat & Partners is a leading full service firm providing high quality professional services through separate entities established in various jurisdictions and representing individuals and companies in a wide range of sectors.

Copyright © 2023 | All rights reserved | Chandrawat & Partners | Tel: (+852) 3543 0022 | Fax: (+852) 3543 0077 |
Email: enquiries@chandrawatpartners.com | Website: www.chandrawatpartners.com

Follow us on:

LinkedIn

twitter

facebook

Instagram