

Kazakhstan

1. Kazakhstan was reviewed as part of the 2017/2018 and the 2018/2019 peer reviews. This report is supplementary to those previous reports (OECD, 2019^[1]) (OECD, 2018^[2]).
2. The first filing obligation for a CbC report in Kazakhstan commences in respect of reporting fiscal years starting on or after 1 January 2016.

Summary of key findings

3. Kazakhstan's implementation of legislation for the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[3]), except for the following:
 - It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for the exemption in case of state secrets.
4. It is recommended that Kazakhstan take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which will meet the confidentiality, consistency and appropriate use prerequisites and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.
5. It is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019 peer review.
6. It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains unchanged since the 2017/2018 peer review.

Part A: The domestic legal and administrative framework

7. Kazakhstan has legislation in place to implement the BEPS Action 13 minimum standard.

(a) Parent entity filing obligation

8. It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for the exemption given in their legislation in the case of inclusion of state secrets.

(b) Scope and timing of parent entity filing

9. No changes were identified.

(c) Limitation on local filing obligation

10. No changes were identified.¹

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified.²

(e) Effective implementation

12. No changes were identified.³

Conclusion

13. It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/or the exchange of information framework for the exemption in case of state secrets

Part B: The exchange of information framework**(a) Exchange of information framework**

14. As of 31 March 2020, Kazakhstan has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Kazakhstan take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information

(b) Content of information exchanged

15. No changes were identified.

(c) Completeness of exchanges

16. No changes were identified.

(d) Timeliness of exchanges

17. No changes were identified.

(e) Temporary suspension of exchange or termination of QCAA

18. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

19. No changes were identified.

(g) Format for information exchange

20. No changes were identified.

(h) Method for transmission

21. No changes were identified.

Conclusion

22. It is recommended that Kazakhstan take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Kazakhstan has an international exchange of information agreement in effect that allows for the

automatic exchange of tax information. This recommendation remains unchanged since the 2017/2018 peer review.

23. It is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains unchanged since the 2018/2019 peer review.

Part C: Appropriate use

Appropriate use

24. No changes were identified.

Conclusion

25. It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Kazakhstan clarify the exact scope, conditions and legal basis under the minimum standard and/ or the exchange of information framework for the exemption in case of state secrets.
Part B	Exchange of information framework	It is recommended that Kazakhstan take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Kazakhstan has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.
Part B	Exchange of information framework	It is recommended that Kazakhstan take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information.
Part C	Appropriate use	It is recommended that Kazakhstan take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

References

OECD (2019), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/f9bf1157-en>. [1]

OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>. [2]

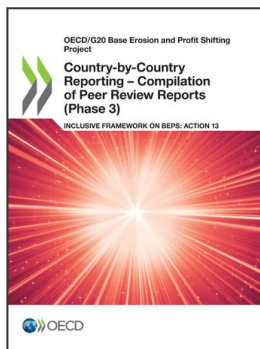
OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing, <https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>. [3]

Notes

¹ It was recommended in Kazakhstan's 2017/2018 report that Kazakhstan implement a provision whereby a single Constituent Entity of the same MNE Group may be designated to file the CbC report which would satisfy the local filing requirement of all the Constituent Entities in Kazakhstan. As Kazakhstan's local filing requirement is currently suspended until further notice, this recommendation was removed but the situation will be monitored.

² It is unclear whether Kazakhstan's legislation provides for the deactivation of local filing in case of surrogate filing. Kazakhstan state that this is the case, this point will be monitored

³ There are no specific processes to take appropriate measures in case Kazakhstan is notified by another jurisdiction that it has reason to believe with respect to a Reporting Entity that an error may have led to incorrect or incomplete information reporting or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. As no exchange of CbC reports has yet occurred, no recommendation is made but this aspect will be monitored.



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