



What changes in the tax legislation of Kazakhstan await us from 1 January 2025?

Contacts

Ramina Nazyrova, MRICS
Managing Partner,
rnazyrova@bakertilly.kz

Elena Khegay, FCCA
Partner,
Tax and Accounting services
ekhegay@bakertilly.kz

Address

Al-Farabi Ave 19, BC “Nurly Tau”,
Block 2B, office 201, Almaty,
050059, Qazaqstan

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With a decision of the President of the Republic of Kazakhstan Tokayev Kasym-Jomart Kemelievich, the introduction of the new Tax Code has been postponed to 2026. As noted by the Head of State in his Address to the people of Kazakhstan on the 2nd of September, 2024, this decision will allow to prepare a new legislation at a more qualitative level.

Estimated figures of 2025

According to the Project of the Republican Budget in 2025, the MCI (monthly calculation rate) will reach **3,932 KZT**, and the MW (minimum wage) will be set at **85,000 KZT**

Changes in tax rates and deductions

As a result of the increase in the established calculation indicators, the parameters of deductions and limits will be adjusted when determining the use of special tax regime (STR) and when calculating taxes and contributions from wages.

- the size of the standard tax deduction of 14 MCI will increase to 55,048 KZT;
- the size of the limit for VAT registration 20,000 MW will increase to 78,640,000 KZT per year;
- the income limit for patent-based or special mobile application-based STR 3,528 MCI will increase to 13,872,096 KZT;
- the income limit for STR based on MA 24,038 MCI will increase to 94,517,416 KZT per half year;
- the size of the income limit for STR using a fixed deduction 144,184 MCI will increase to 566,931,488 KZT for the year;
- the size of the income limit for retail tax STR 600,000 MCI will increase to 2,359,200,000 KZT for the year;

An increase in MCI will also entail a corresponding proportional increase in MCI a corresponding proportional increase in:

- the amounts of fines payable;
- amounts of state duty;
- the amount of rates and fees in summarised terms.

From 1 January, 2025, the rates of of some taxes and contributions (Appendix 1)



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Social contributions from income under Civil law contracts

According to the project order ‘On Amendments and Additions to the Order of the Deputy Prime Minister-Minister-Minister of Labor and Social Protection of the Republic of Kazakhstan from 21 June, 2023 № 229 “On some issues of the social insurance system and the provision of public services in the social and labor sphere”, it is planned to make changes from 01.01.2025 in the “**Rules of calculation and payment of social deductions to the State Social Insurance Fund and penalties thereon**”, in particular:

‘Social deductions shall be withheld from the income of individuals performing work or rendering services under contracts of state employment’.

In other words, according to the Draft, social contributions under civil law contracts will be withheld and paid from the income of individuals as Compulsory Pension Contributions and Contributions for Compulsory Social Health Insurance.

Limits on taxes and contributions calculated on wages and salaries

From 1 January, 2025, 1 MW = 85,000 KZT, 1 MCI = 3,932 KZT, respectively:

- Standard deduction 14 MCI ($14 \times 3,932$) = **55,048 KZT** per month.
- Standard deduction for the year 168 MCI ($14 \times 12 \times 3,932$) = **660,576 KZT**.

When calculating Mandatory Pension Contributions, Mandatory Employer's Pension Contributions, Social Contributions, Social Tax and Mandatory Social Health Insurance from wages, the income amounts for calculation are limited to the limits. Mandatory Pension Contributions and Mandatory Social Health Insurance have only upper limits, Social Tax has only lower limit, Mandatory Employer's Pension Contributions and Social Contributions have upper and lower limits. (Appendix 2)



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An increase in the **upper limit** of monthly income (of the subject) accepted for the calculation of contributions and deductions for compulsory social health insurance from **10-fold to 50-fold** of the minimum wage established for the relevant financial year by the law on the republican budget is planned from 2026 (draft under consideration).

Change in the limit for compulsory registration as a sole proprietor

There are plans to amend Article 35 of the Entrepreneurial Code regarding mandatory registration as an individual entrepreneur, where the threshold of 12 MW will be changed to 360 MCI.

Retail tax

Maslikhats have the right to approve a reduced retail tax rate at the regional level. The reduction is available twice (from 4% to 2%). This norm will allow to support priority areas of activity for the region.

The reduced rates for 2025 are approved in 2024, for the period from 01.04.2024 to 01.12.2024. Reduced retail tax rates of 2% and 3% for 2025 were approved in almost all regions and cities.

STR ‘retail tax’, providing for the payment by entrepreneurs of 4% or 8% in 2025 instead of PIT/ CIT and VAT is intended for the following taxpayers (Article 696-3 of the Tax Code Republic of Kazakhstan):

- the average number of employees for the tax period does **not exceed 200 persons**;
- income for the calendar year does not exceed **600,000 MCI**;
- carry out exclusively one or more of the types of activities defined by the Government of the Republic of Kazakhstan for the purposes of applying this regime.



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Types of activities who can apply the retail tax in 2024 has been expanded.

If last year 190 types of activities were available for the application of retail tax, now the List of activities increases to 364 types of activities. And from 2025, the Ministry of National Economy of the Republic of Kazakhstan continues to work on further expansion of activities for application of STR retail tax.

New Taxpayer's Cabinet

It should be noted that the transition to the new information system is planned as early as December 2024. The new information system of state revenue authorities will be called 'Integrated System of Tax Administration' (ISTA). ISTA will replace the functionality of 7 existing systems: Integrated tax information system, Centralised unified personal accounts, Excise, SONO, Tax cabinet, Portal Labor.

One of the main positive aspects will be to ensure a high level of availability of the system per unit of time, i.e. simultaneous access to the Cabinet of the taxpayer more than 250 thousand users.

Consolidated payment order for tax payments

It should be noted that the deadline for transition to the international standard ISO 20022 has been postponed to 13 January, 2025.

A consolidated payment order (CPO) is a document with the help of which a taxpayer will be able to pay several mandatory payments (for example, mandatory pension contributions, social contributions, taxes) through a single order. This will allow several payments to be combined into one process and eliminate the need to prepare separate orders for each type of tax.



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The following types of taxes, contributions and deductions can be paid with the SPO:

- Mandatory pension contributions (MPC);
- mandatory occupational pension contributions (MOPC);
- social contributions (SC);
- Compulsory social medical insurance (CSMI);
- Contributions to Compulsory Social Health Insurance (CSHI);
- unified payment from wages and salaries (USPS);
- other mandatory payments.

Such input of the consolidated payment order will save more working time and resources of legal entities and individual entrepreneurs in the course of their business activities.

Universal declaration in 2025

The obligation to file a declaration of assets and liabilities of an individual (Tax Form 250.00) applies to the following categories:

- citizens and residents of the Republic of Kazakhstan who own property abroad;
- candidates for elected and public office;
- persons applying for the status of a major participant of a bank, securities market or insurance organizations;
- individuals engaged in private practice;
- citizens wishing to voluntarily file a declaration.

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Subject to declaration of **assets abroad**:

- real estate, motor vehicles;
- shares in foreign companies or housing construction;
- cash in foreign bank accounts if their amount exceeds 1,000 MCI;
- securities, derivative financial instruments;
- funds on brokerage accounts;
- intellectual property, copyright
- digital assets;
- receivables/payables;
- investment and precious metals;
- property with a value exceeding 1,000 MCI (e.g. antiques, luxury goods, jewellery, etc.).

State Revenue Department stated the following:

‘It is also proposed to establish the obligation to declare persons who have made large acquisitions worth more than 20,000 MCI (73,840,000 KZT in 2024) in the Republic of Kazakhstan and abroad.’

It should be noted that when voluntarily submitting a declaration, it is possible to declare cash in an amount not exceeding 10,000 MCI, and other assets and liabilities that may later serve as evidence of the individual's expenses. The limit is clarified by the Department of State Revenue:

‘Citizens who have a cash amount of more than 10,000 MCI (in 2024 it is 36,920,000 KZT), need to place these funds in bank accounts until 31 December, 2024’.

How do I file a declaration?

Declaration can be submitted through the mobile application **e-Salyq Azamat**, **e-Government portal (egov.kz)**, **Taxpayer's Cabinet (cabinet.salyk.kz)**.



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On 15 November, 2024, Kazakhstan's President Kassym-Jomart Tokayev, speaking at the first Forum of Agricultural Workers, instructed a review of the approach to universal declaration. Following this, 8 million Kazakhstanis were exempted from mandatory declarations.

Labor legislation changes in 2025

The Ministry of Labor of the Republic of Kazakhstan revised the size of the quota for the recruitment of foreign labor force for labor activities in the territory of the Republic of Kazakhstan for **2025** as a percentage of the labor force :

- 1) on permits issued by the local executive body to the employer in the amount of 0.2% (in 2024 it was 0.23%);
- 2) to attract labor immigrants at the rate of 3% (in 2024 it was 3.1%).

From 1 January, 2025, other changes in the rules of attracting labor force in the Republic of Kazakhstan are planned (after the adoption of the project 'On Amendments and Additions to the Order of the Deputy Prime Minister - Minister of Labor and Social Protection of the Republic of Kazakhstan from 30 June, 2023 № 279 "On Approval of the Rules and Conditions for the issuance or extension of permits to employers to attract foreign labor force, as well as the implementation of intra-corporate transfer").

Sick leave in electronic format

From 1 January, 2025, 8 types of medical certificates, including sick leave and certificates of temporary incapacity for work, will be issued only in electronic format through the IS 'Outpatient and Polyclinic Care':



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Sick leave in electronic format

From 1 January, 2025, 8 types of medical certificates, including sick leave and certificates of temporary incapacity for work, will be issued only in electronic format through the IS ‘**Outpatient and Polyclinic Care**’:

- Sick leave
- 075/u ‘Medical certificate’
- 026/u ‘Conclusion of VKK’
- 073/u ‘Certificate of admission to driving a motor vehicle’.
- 069/u ‘Sanatorium-resort card’.
- 052-2/u ‘Child's health passport’.
- 076/u ‘Obtaining a weapon licence’.
- 038/u ‘Certificate of temporary incapacity for work’.

The ‘eGov mobile’ mobile application implements the ‘eDensaulyq’ section, which allows citizens to have access to their personal health data.

In conclusion, we would like to note the advisability of an interim change in tax rates for 2025, as from January 2026 a new Tax Code with changed approaches and rates will come into force, in connection with which, in our opinion, such an interim approach may create instability in tax regulation, as a consequence of which, a change in tax rates in 2025 may cause inconvenience in tax administration and discourage likely investors, which, however, may have a negative impact on the development and prosperity of domestic business.

How can we help you?

The **Baker Tilly Qazaqstan Advisory** team will be happy to provide you with more detailed advice on any questions you may have after reading this newsletter. If your company has been notified of a tax audit, we are ready to assist you in preparing for it and provide comprehensive support at all stages. In particular, we offer the following services :

- Tax reviews with identification of the main tax risks and recommendations on how to motivate them
- Tax consultations
- Tax audit support
- Other tax services at your request
- Support for the submission of declarations within the framework of universal declaration



Appendix 1

From 1 January 2025, the rates of certain taxes and deductions will increase:

Name of tax / deductions	2024 rate	2025 rate	Basis
Social Contributions (SC)	3.5%	5%	p.1 a.244 Social Code
Social contributions under civil law contracts	-	5%	p.3 a.245 Social Code
Social Tax	9.5%	11%	p.1 a.485 Tax Code
Employer's mandatory pension contributions (EMPC)	1.5%	2.5%	p.1 a.251 Social Code
Single payment rate	21.5%	23.8%	p.1 a.776-3 Tax Code
Fractions of the single payment rate:			
Personal income tax (PIT)	8.4%	7.6%	p.2 a.776-3 Tax Code
Mandatory pension contributions (MPC)	46.5%	42%	p.2 a.249 Social Code
Employer's mandatory pension contributions (EMPC)	6.95%	10.5%	p.3 a.251 Social Code
Social Contributions (SC)	14.9%	18.9%	p.3 a.244 Social Code
Compulsory social medical insurance (CSMI)	13.95%	12.6%	p.1-1 a.27 Law of the Republic of Kazakhstan 'On Compulsory Social Health Insurance'
Contributions to Compulsory Social Health Insurance (CSHI)	9.3%	8.4%	p.1-1 a.28 Law of the Republic of Kazakhstan 'On Compulsory Social Health Insurance'

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Appendix 2

Limits on taxes and contributions calculated on wages and salaries

2025	Income limit	Limit of deductions
MPC, 10%	Min - n/a	Min - n/a
	Max - 50 MW = 4,250,000 KZT (50 × 85,000)	Max - 425,000 KZT (4,250,000 × 10%)
EMPC, 2.5%	Min - 1 MW = 85,000 KZT	Min - 2,125 KZT (85,000 × 2.5%)
	Max - 50 MW = 4,250,000 KZT (50 × 85,000)	Max - 106,250 KZT (4,250,000 × 2.5%)
CSHI, 2%	Min - n/a	Min - n/a
	Max - 10 MW = 850,000 KZT (10 × 85,000)	Max - 17,000 KZT (850,000 × 2%)
CSMI, 3%	Min - n/a	Min - n/a
	Max - 10 MW = 850,000 KZT (10 × 85,000)	Max - 25,500 KZT (850,000 × 3%)
SC, 5%	Min - 1 MW = 85,000 KZT	Min - 4,250 KZT (85,000 × 5%)
	Max - 7 MW = 595,000 KZT (7 × 85,000)	Max - 29,750 KZT (595,000 × 5%)
ST, 11%	Min - 14 MCI = 55,048 KZT	Min - 6,055.28 KZT (55,048 × 11%)

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