

Special regulations on import of goods to Kazakhstan following accession to WTO

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According to the Decision of the Eurasian Economic Commission # 59 dated 14 October 2015, Kazakhstan introduced a List of goods (“listed goods”) to which reduced customs duties are applied upon import to Kazakhstan from third countries.

On 11 January 2016, the Protocol regulating import and movement of goods within the Eurasian Economic Union (“EAEU”) came into force. Also, the Ministry of Finance of Kazakhstan introduced Instructions ensuring control of movement of such goods, approved on 9 December 2015.

These documents stipulate special provisions on the import and circulation of certain goods on the territory of the EAEU in light of Kazakhstan’s accession to the Worldwide Trade Organisation (“WTO”).

Based on these documents, participants of Foreign economic activity may import certain goods to Kazakhstan at customs duty rates lower than the current customs duties under the Common Customs Tariff of the Eurasian Economic Union (hereinafter “CCT EAEU”).

However, application of the reduced customs duty rates implies compliance with obligations related to the release of these goods and their further use.

Listed goods should not be exported from the territory of Kazakhstan to other EAEU member states. Consumption of these goods is restricted to the territory of Kazakhstan.

Similarly, listed goods can not be exported from Kazakhstan to other EAEU member state, where such goods are subject to veterinary and sanitary requirements other than requirements of EAEU, in accordance with WTO obligations undertaken by Kazakhstan.

Export of listed goods to the territory of member states of EAEU can only be made upon customs declaration of these goods with the application of standard CCT EAEU duty rates. As such, a declarant can make a decision on the sale of such goods upon meeting all requirements related to the introduced system of control over goods.

Upon subsequent sale of goods released under reduced customs duty rates, the participants of foreign economic activity should issue an electronic invoice reflecting information on the customs declaration.

In addition, electronic invoices should be issued upon:

- ✓ Sale of listed goods:
 - imported from EAEU member states;
 - originating in Kazakhstan;
 - previously imported from third countries.
- ✓ Transfer from Kazakhstan to EAEU member states within one legal entity:
 - listed goods, which were previously imported from third countries;
 - goods imported from EAEU member states to Kazakhstan.

Upon export of listed goods to EAEU member states, accompanying documentation should be agreed with the State Revenue Authorities.

If requirements on issuance of the electronic invoices are not met, and goods released at reduced duty rates are unlawfully used, administrative fines stipulated in Articles 280-1, 553, 523 of the Code of the RK “On administrative offences” may apply.

How PwC can help you

Upon your request we would be happy to provide you with the following services:

- analysis of the possibility to apply reduced customs duty rates to goods being imported by your company;
- full description of the requirements that must be followed when applying reduced customs duty rates to imported goods and on turnover of goods, included in the list;
- analysis on minimization of risks related to fulfillment of new obligations related to control of listed goods;
- support and representation of client interests upon appealing the State Revenue Authorities’ actions.

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References

1. Protocol “On issues regulating import and movement of some goods within the Eurasian Economic Union”, ratified by the Law of the RK # 439-V dated 9 December 2015.
2. Order of the Ministry of Finance of the RK “About approval of the Instruction on the organisation of system of accounting of the separate goods in case of their moving within mutual cross-border trade of state members of the Eurasian economic union” # 640, dated 9 December 2015.
3. EEC Council Decision “About approving a list of goods with lower tariffs for imports to Kazakhstan due to its accession to the World Trade Organization” #59, dated 14 October 2015.