



# PwC Tax Controversy and Dispute Resolution team. Successful court cases

## Contacts

### Timur Zhursunov

Partner,  
Tax and Legal Services  
timur.zhursunov@pwc.com

### Nursultan Nurbayev

Director,  
Tax Dispute Resolution  
nursultan.nurbayev@pwc.com

### Shynar Zhanbekova

Manager,  
Tax Dispute Resolution  
shynar.zhanbekova@pwc.com

### Ziyash Kakharova

Manager,  
Tax Dispute Resolution  
ziyash.azimova@pwc.com

If you are interested in additional information, please contact us.

PwC Tax Controversy and Dispute Resolution team is glad to share our successful practice in 2022 in appealing:

- results of the tax inspections,
- results of the cameral (desktop) control,
- refusal to refund overpayment on tax account,
- initiation of the unscheduled thematic tax inspection.

Below we prepared a summary of the most interesting cases.

## Appeal of the results of desktop control

During 2022 we assisted more than 10 large companies to successfully appeal the results of the desktop control, both in pre-trial stage and in courts. Previously, disputes on desktop control reached the Supreme Court. However, in the recent practice we note that the tax authorities are accepting the position of taxpayers in pre-trial appeals in certain cases, i.e. the tax authorities started to consider the taxpayers' arguments in a more objective way.

## Appeal of the tax inspection results

### 1. Long-term construction contracts

Our team represented a construction company in the appeal of a tax inspection results. The main tax assessments were related to the exclusion of expenses and amortization charges from CIT deductions due to the termination of a long-term construction contract. The Specialized Interdistrict Administrative Court of Astana city satisfied the taxpayer's claim and canceled the additional CIT and VAT charges in the amount of approximately USD 1 mln.

### 2. Transfer pricing, WHT on income paid to a non-resident, deductions for fixed assets and geological survey expenses

Our team helped large oil and gas company to successfully appeal the tax assessments in the amount of USD 16 mln with respect to the following matters:

- withholding tax for transfer pricing adjustment of income;
- exclusion from CIT deductions of the expenses for geological studies and preparatory work;
- unjustified extension of the period under inspection.

The Judicial Board for Civil Cases of the Supreme Court cancelled the decisions of the courts of the first and second instances and satisfied the company's appeal on the above matters (approximately USD 14 million).



# PwC Tax Controversy and Dispute Resolution team. Successful court cases

## Contacts

### Timur Zhursunov

Partner,  
Tax and Legal Services  
timur.zhursunov@pwc.com

### Nursultan Nurbayev

Director,  
Tax Dispute Resolution  
nursultan.nurbayev@pwc.com

### Shynar Zhanbekova

Manager,  
Tax Dispute Resolution  
shynar.zhanbekova@pwc.com

### Ziyash Kakharova

Manager,  
Tax Dispute Resolution  
ziyash.azimova@pwc.com

If you are interested in additional information, please contact us.

## Refund of the overpayment on VAT account

We helped the oilfield service company to refund overpaid VAT. The company had a VAT overpayment in the amount of USD 2.5 million. The tax authorities referred to the ongoing tax inspection and refused to refund VAT overpayment. We helped the company to refund the amount of USD 2 million.

Also, the Specialized Interdistrict Administrative Court of Almaty satisfied the claim of the company to refund the remaining overpayment amount of USD 0.5 mln.

According to the administrative disputes practice available to us, this is the first court decision on a claim for compulsion, whereby the tax authorities were obliged to refund the overpayment from the budget.

## Appeal of the tax inspection initiation

We assisted large cosmetics company to successfully appeal the initiation of the unscheduled thematic tax inspection to the Specialized Interdistrict Administrative Court of Almaty city. The tax authority initiated the unscheduled thematic tax inspection without any legal grounds.

## The new Administrative Procedural Code (APC)

Please note that almost all of the above mentioned court decisions were based on the provisions of the new APC.

Our team includes leading tax professionals with wide experience in pre-trial and court dispute resolution with the state authorities. We are ready to provide our assistance to companies at all stages of inspections with state authorities, as well as in the process of appealing the results of inspections.