



SAYAT ZHOLSHY
& PARTNERS
Lawyers and attorneys at law



OVER
20 YEARS
OF SUCCESSFUL
PRACTICE

TAX LAW



- *“With a ‘profound knowledge of tax law’, Sayat Zholshy & Partners provides wide-ranging expertise and ‘creative thinking’ for international clients seeking assistance regarding Kazakhstani law, including the issuance of legal opinions, structuring transactions for tax optimising, and systemic assessment of associated risks”*



Sayat Zholshy & Partners

- *Sayat Zholshy & Partners is recommended as a leading counsel in tax law*



- *Rustam Ospanov and Yelena Tyureikina were recognized as Kazakhstan leading tax lawyers*

TAX LAW

Tax practice is one of Sayat Zholshy & Partners' priority services relying on long-term experience and profound specialisation of our attorneys and lawyers in this area of law.

Sayat Zholshy & Partners' team has all necessary capabilities and resources to offer our Clients a full range of tax-related services and legal assistance in various spheres of business, including, but not limited to, M&A transactions, cross-border transactions, dealings with non-residents, double-tax treaties applicability, transfer pricing, investments, financial leasing, subsoil use, etc.

Our goal is to build up a strong and long-term partnership relationship with each of our Clients.

Sayat Zholshy & Partners is a co-founder of the Association of Kazakhstan Taxpayers, a non-profit organisation that is called to represent and protect the rights and legitimate interests of Kazakhstan taxpayers.

OUR SERVICES

- Advice, recommendations and legal opinions on Kazakhstan taxation and transfer pricing issues
- Legal support in connection with tax audits
- Representation and protection of Clients in their relations with tax authorities
- Appeals against actions/omissions and/or decisions of tax authorities through departmental or judicial hierarchy, including appeals against notices of tax audit results and other tax audits, and against enforcement and enforced collection methods applied by tax authorities
- Representation and protection of clients in connection with tax administrative or criminal proceedings
- Transaction structuring (as well as optimization and planning) and inherent tax risk assessment
- Assessment of proposed and closed transactions with regard to tax liability risks
- Recommendations on the choice of an optimal form of business in Kazakhstan

- Clarification of non-residents' taxation and application of double-tax treaties in Kazakhstan
- Representation of clients in connection with VAT refund
- Representation of non-residents in connection with the refund of income tax from the budget or escrow accounts
- Drafting responses to tax notices and letters, including notices on desk tax audit results
- Reviewing valid contracts with regard to their transfer pricing compliance and assessing associated risks
- Drafting requests to tax authorities for clarification of Kazakhstan tax legislation
- Arranging for tax registration of non-residents in the Republic of Kazakhstan
- Arranging for VAT and certain types of activity registration/deregistration
- Assistance with the preparation and filing of individual income tax returns on behalf of non-resident individuals receiving property income and/or other income outside Kazakhstan and/or holding cash in bank accounts with foreign banks outside Kazakhstan and/or beneficially owning immovable properties located outside Kazakhstan and/or securities/interests in the authorised capital of legal entities incorporated outside Kazakhstan
- Assistance with the preparation and filing of non-residents' tax reporting (save for non-resident entities operating in Kazakhstan through permanent establishments) required by Kazakhstan tax law

EXPERIENCE

- Filed an appeal with superior tax authorities against a notice on tax audit results with regard to the assessment of additional taxes due from a Kazakhstan company (a member of the largest CIS e-commerce retail network) for a total amount over 9 mln US dollars
- Providing holistic legal support services to an international medical device company, including subscription-based legal advice on tax and customs issues from the perspective of Kazakhstan and Eurasian Economic Union laws

- Provided legal support through a comprehensive tax audit of our Client with regard to all taxes for a 2-year tax period; advised the Client in the course of the tax audit on all issues arising therefrom; and drafted all required documents. The tax audit outcome was very favourable for our Client and the reassessed tax amount appeared to be very low
- Appealed, for and on behalf of the largest Kazakhstan IT company, tax audit results to the Kazakhstan Ministry of Finance. Our support and representation of the Client in their dispute with tax authorities allowed the Client to assert their legitimate interests and to avoid unlawful assessments for over 5 mln US dollars
- Advised a major Kazakhstan company acting as an authorised economic operator (AEO) on the issues arising from the import of goods to Kazakhstan and regulation of the AEO operations; provided the current status information and legal recommendations
- Provided legal support through the preparation and implementation of a transaction for disposal of large railway enterprises; structured the transaction from tax perspective in order to capture all tax benefits provided for by Kazakhstan laws, applicable double-tax treaties (conventions) and the laws of relevant foreign jurisdictions; and advised the Client on numerous tax issues arising in the course of the transaction implementation
- Provided legal assistance in connection with the sale and purchase of interests in a major power service company; provided tax advice with regard to changes in the ownership structure and reallocation of interests among the company members with a view to retain the tax benefits provided for by Kazakhstan law and to exercise all reasonable taxation options available under international treaties ratified by the Republic of Kazakhstan; gained a deeper insight into the laws of the Client's tax residency jurisdiction in an attempt to take full advantage of the benefits provided by such laws
- Provided legal support and tax advice in connection with the restructuring of a Group of Kazakhstan private rolling stock owners for the sake of efficiency, operating cost savings, optimal ownership structure and minimum tax exposure upon transfer of the assets
- Conducted legal research and advised a Kazakhstan holding company on the tax efficiency and tax optimisation of their current and proposed corporate structures (the total transaction value approximated 200 mln US dollars)
- Advised, structured and issued recommendations on tax efficiency (including assistance with the issues connected with international tax planning) in connection

with the spinoff of assets and sale of business related to the development of a uranium deposit in Kazakhstan; assisted with the assets ownership restructuring and supported the assets sale transaction (the transaction value exceeded 140 mln US dollars)

- Advised a non-resident entity who exercised indirect control over a subsoil user and issued recommendations on tax planning (including international tax planning) in connection with the disposal of subsoil use assets and the related restructuring of the holding ownership (the transaction value approximated 50 mln US dollars)
- Advised a non-resident entity who exercised indirect control over a subsoil user and issued recommendations on tax efficiency (including assistance with international tax planning) in connection with the disposal of subsoil use assets; assisted with the assets ownership restructuring and supported the assets sale transaction (the transaction value approximated 15 mln US dollars)
- Advised on taxation of a major Russian company in connection with the purchase of shares in a foreign entity having indirect control over two Kazakhstan subsoil users – our advice enabled the transacting parties to avoid the loss of about 70.5 mln US dollars
- Advised and issued a legal opinion on tax issues in connection with the sale and purchase of a major Kazakhstan transportation holding (the transaction value approximated 180 mln US dollars)
- Advised on taxation of income received by a non-resident entity from Kazakhstan sources (approximately 40 mln US dollars) paid by a Kazakhstan resident provider of transportation and logistics services
- Advised a major Kazakhstan mining company and issued recommendations on tax efficiency in connection with the purchase of assets related to rare-earth ores processing and beneficiation; assisted with the assets ownership restructuring and supported the assets purchase transaction (the transaction value exceeded 5 mln US dollars)
- Advised a foreign bank subsidiary on the reasonableness of challenging a notice on tax audit results (the transaction value approximated 3 mln US dollars)
- Assisted a foreign-invested subsoil user with filing an appeal against a notice on tax audit results with regard to the determination of the Republic of Kazakhstan's interest in a production sharing agreement (the disputable amount approximated 7 mln US dollars)

- Represented a mining holding in connection with the challenging of tax authorities' nonfeasance with regard to the non-refund of the difference between input VAT and output VAT applicable to zero-rated sales totalling over 7 mln US dollars
- Filed an appeal against a notice on tax audit results with regard to the assessment of taxes and other obligatory payments to the budget due from a major oil producer operating in the Mangistau Oblast, Kazakhstan for a total amount of 65 mln US dollars
- Filed an appeal with superior tax authorities against a notice on tax audit results with regard to the assessment of different taxes due from a major manufacturing company for a total amount over 9 mln US dollars
- Filed an appeal against a notice on tax audit results with regard to the assessment of taxes and other obligatory payments to the budget due from a major Kazakhstan telecommunications company for a total amount over 8 mln US dollars
- Filed an appeal against a notice on tax audit results with regard to the assessment of VAT and other taxes due from a chemical company for a total amount over 3 mln US dollars
- Filed an appeal against a notice on tax audit results with regard to the assessment of special subsoil taxes due from a subsoil user for a total amount over 1 mln US dollars
- Advised a Russian transportation company on taxation of income from international transportation services (including through the territory of Kazakhstan) and associated activities approximating 3.4 bln tenge
- Advised a Kazakhstan land owner on tax implications of a land sale and purchase transaction the value of which approximated 5 mln US dollars
- Advised a tobacco producer on the need of tax registration of a nonresident's permanent establishment in the Republic of Kazakhstan

TEAM



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