



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT



Initiative "One Belt, One Road"

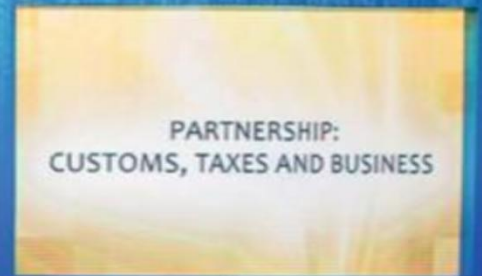


Astana, Republic of Kazakhstan



14-16
MAY

ASTANA



Astana 14-16 may 2018

In 2018, a meeting was held in the capital of Kazakhstan, Astana, and following the meeting, a unanimous decision was made to create a tax administrations cooperation mechanism of "One Belt, One Road" initiative.



BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Purpose:

- to remove obstacles to cross-border trade and investment;
- to create a fair and reasonable tax environment for sustainable, balanced and inclusive economic growth.

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Purpose:



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第一届“一带一路”税收征管合作论坛

THE FIRST CONFERENCE OF THE BELT AND ROAD INITIATIVE TAX ADMINISTRATION COOPERATION FORUM



- April 2019, Wuzhen (Zhejiang Province, People's Republic of China) - The first Conference of the Tax Administration Cooperation Forum within the framework of the "One Belt, One Road" initiative.



BRITACOM Secretariat

— The Executive Secretary —



WANG Daoshu

Deputy Commissioner of
the State Taxation
Administration(STA),China

— Deputy Executive Secretary —



Yemek Kozhabergenov

Head of the International
relations Division of the
State revenue committee
(SRC) , Kazakhstan

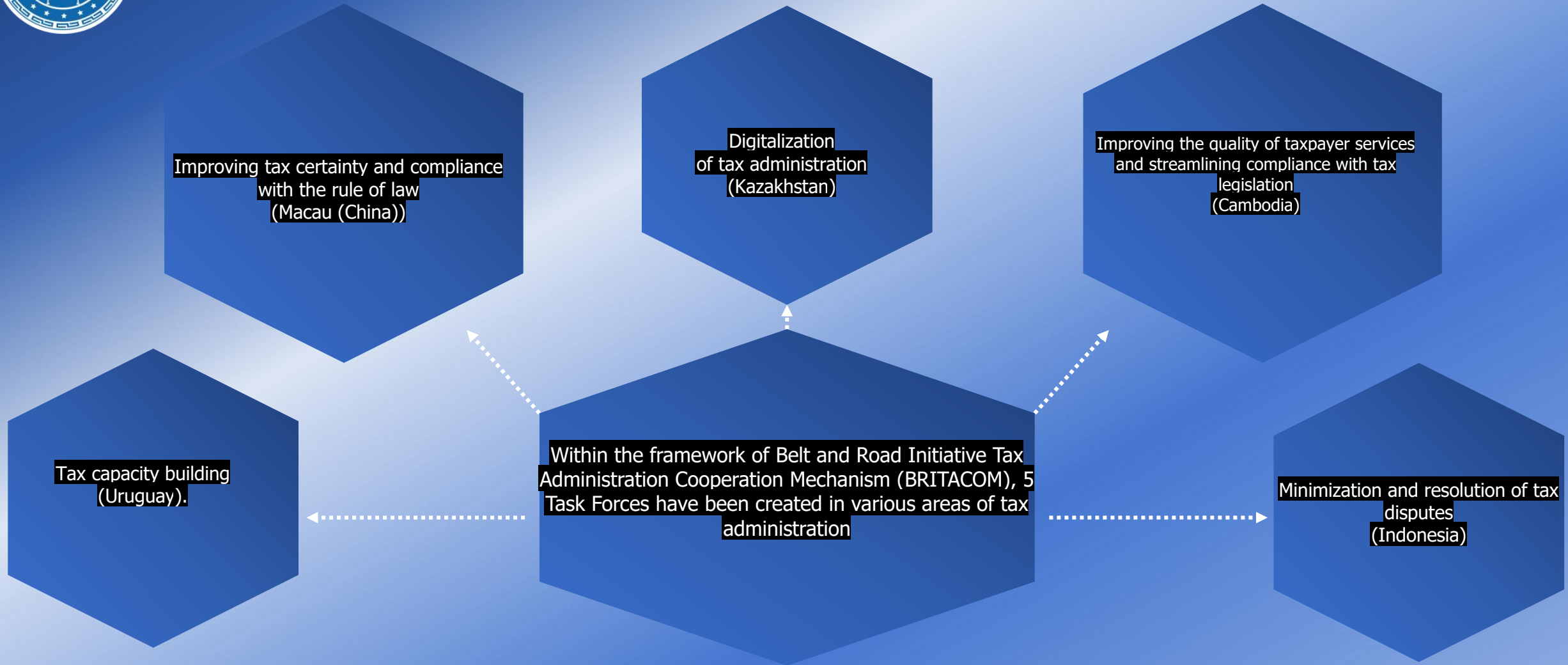


Conference on "Responding to Covid-19: BRITACOM perspective".





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Member countries of the Task Force for Digitalization of Tax Administration: Armenia, Great Britain, Hungary, Indonesia, Iran, Spain, Italy, Cambodia, China, Mexico, UAE, Slovenia, Ukraine, Czech Republic, Estonia



September 2020
online meeting of the Task Force for Digitalization of Tax
Administration
according to the Wuzhen Action Plan (2019-2021)



Network of Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM), 5 Task Forces have been created in various areas of tax administration

July 30, 2021
BRITACOM Online Task Forces Meeting

Member countries of the Task Force for Digitalization of Tax Administration: Kazakhstan, Great Britain, Hungary, Indonesia, Iran, Spain, Italy, Cambodia, China, Mexico, UAE, Slovenia, Ukraine, Czech Republic, Estonia



The 2nd BRITACOF

Digitalization of Tax Administration

7-9 September 2021



The 2nd BRITACOF

7-9 September 2021

Second BRITACOF President and BRITACOM Council Chair



Ali Sapargaliyevich Altynbayev
Chairman of State Revenue Committee of Ministry of Finance of Kazakhstan



Ms. Kymbat Akhmetova
Head, Division of digitalization, IT Department
State Revenue Committee of Ministry of Finance of Kazakhstan



BRITACOM Council Vice-Chairs



Khalid Ali Al-Bustani
Director General,
UAE's Federal Tax Authority



Margarita Faral
Director General of
Direccion General Impositiva, Uruguay



Paata Kiladze
Deputy Head
Revenue Service
LEPL of the Ministry of
Finance of Georgia



Tuma Adama Jabbi
Chairperson
National Revenue
Authority
Republic of Sierra Leone



The 2nd BRITACOF

7-9



The 2nd BRITACOF

7-9 September 2021

Keynote Speech



Mr. Inkerbayev Zhaidar
Deputy chairman
State Revenue Committee of
Ministry of Finance
Republic of Kazakhstan

Host of Closing Ceremony











Mr. Yermek Kozhabergenov
Head of the International Cooperation Department
State Revenue Committee of the
Ministry of Finance
Republic of Kazakhstan

The Forum was attended by more than 300 delegates from tax administrations of 60 countries and regions, 12 international and regional organizations, as well as representatives of the business community and academia.



The effect of digitalization of tax administration

The jurisdictions of the countries have identified the following effects:

-  Increase in budget revenue
-  Reducing the shadow economy
-  Improving the efficiency of tax compliance control processes
-  Real-time data collection and processing
-  Increasing investment attractiveness through transparency and simplification of administrative procedures through electronic transactions
-  Improving the quality of public services, which ensures convenience for taxpayers
-  Elimination of hard copies use
-  Raising the level of tax culture among taxpayers



Regional Tax Center of "One Belt, One Road" initiative



In September 2019, the Regional Tax Center for Russian-speaking countries of "One Belt, One Road" initiative was opened at the premises of Training Center of the SRC of the Ministry of Finance of the Republic of Kazakhstan.





Joint seminar of the SRC of the Ministry of Finance of the Republic of Kazakhstan and BRITACEG on mobile applications for fulfillment of tax obligations by citizens and entrepreneurs



During the seminar, the Tax Services of the People's Republic of China and the Italian Republic also presented their experience.



International seminars and webinars held

November 28-29, 2019 - International webinar on "Transfer pricing: International standards and national legislation"



October 22-23, 2020 - International webinar on "Transfer pricing 2.0"



December 14-15, 2020 - International webinar on "Implementation and discussion of BEPS steps"



April 26-30, 2021 - National webinar on "Post-customs control. Due diligence"



July 23, 2022 - International webinar on (First thematic day) "Better communication for a Better Future" Creating a platform for communication between tax and business circles and improving the business environment



August 4, 2022 - The second webinar of thematic days on "Better communication for a Better Future"



July 15, 2022 - online seminar on mobile applications for fulfillment of tax obligations by citizens and entrepreneurs

Kazakhstan's Practice in Improving Tax Environment: An Exclusive Interview with Chairman Ali Sapargaliyevich Altynbayev, SRC, Kazakhstan



Kazakhstan's Practice in Improving Tax Environment: An Exclusive Interview with Chairman Ali Sapargaliyevich Altynbayev, SRC, Kazakhstan

In recent years, Kazakhstan has made great progress in the ease of doing business. By reducing tax burden in order to support the development of entrepreneurship in the Republic of Kazakhstan and simplifying tax administration procedures for business entities, tax authorities are constantly working to ensure the timely and high-quality fulfillment by taxpayers of their tax obligations in accordance with tax laws and regulations. Against this backdrop, the correspondents from the *Belt and Road Initiative Tax Journal* (BRITJ) interviewed Mr. Ali Sapargaliyevich Altynbayev, Chairman of the State Revenue Committee of Ministry of Finance of Kazakhstan (SRC).

Exclusive Interview



BRITJ: Mr. Chairman, thank you for being with us in this interview. Would you please introduce the major changes to tax legislation and administration, and their impact on improving tax environment in your country?

Ali Sapargaliyevich Altynbayev: It's a great pleasure to be with you for this interview. Tax legislation is a sphere of law and its norms are constantly improved. Most of the changes to tax legislation have already been in effect from 1 January 2022, and some will come into effect in the near to medium term.

Here I'd like to highlight some specific changes in Kazakhstan. First, tangible state support is provided to small and micro businesses, for example, a certain category of entrepreneurs is exempt from income taxes and tax audits for three years.

Second, individual entrepreneurs and legal entities (small business entities) have the right to choose only one of the following procedures for calculating and paying taxes and submitting tax reports:

- the generally established procedure;
- the special tax regime based on a patent;
- the special tax regime based on a simplified declaration; and
- other procedures.

For Kazakhstanian entrepreneurs, the regime based on a simplified declaration is considered to be the simplest and most convenient. The regime involves minimizing accounting procedures and ease of preparation and submission of reports, thus allowing taxpayers to file a tax return without an accountant, especially for the sole proprietors who do not have any employees.

Special tax regimes are simplified mechanism of tax payment established by the Tax Code of the Republic of Kazakhstan. There are special tax regimes for small businesses, producers of agricultural and aquacultural products, agricultural cooperatives, as well as for peasants or farms.

BRITJ: Besides the changes in legislation and administration, what measures has Kazakhstan taken to promote tax digitalization? And what are the effects of these measures?

Ali Sapargaliyevich Altynbayev: In Kazakhstan, digital technologies are being introduced in tax and customs administration in order to create a favorable tax environment for taxpayers engaged in both domestic and foreign economic activities, minimize human factors in decision-making, create effective mechanisms to scale down the shadow economy and ensure adequate tax revenues for the state budget.

Roadmaps on optimization of public services have been approved by the inter-departmental commission, which is committed to the further optimization and automation of the e-government portal, as well as the integration of the public and private sectors.

The vision of human-centricity lies at the heart of the digitalization initiative of the tax and customs administrations, which is aimed at creating the most favorable conditions for citizens. To this end, alternative digital solutions have been put in place by the tax and customs administrations. For example, in parallel with the Taxpayer's Office, free mobile applications E-salyq-Azamat and E-salyq-Biznes are designed for the convenience of fulfilling tax obligations by taxpayers while reducing their time and financial costs. These mobile applications allow taxpayers to automatically calculate taxes

Kazakhstan's Practice in Improving Tax Environment: An Exclusive Interview with Chairman Ali Sapargaliyevich Altynbayev, SRC, Kazakhstan

and social payments, pay taxes, and receive a tax notification and/or certificate online, prefill tax returns and simplify declaration, etc.

As a result of the work carried out by the Ministry of Finance, it is planned to increase the provision of public services in electronic format to 95% by 2025.

From year to year, systematic work is being carried out to reduce budget classification codes and optimize tax returns. Since 2015, the number of codes of budget classifications has been reduced by 2.5 times, and tax returns have been optimized by 36%.

BRITJ: We're especially interested in the program "Digital Kazakhstan" launched in 2017. Could you please give us an overview of this program?

Ali Sapargaliyevich Altynbayev: The State Program "Digital Kazakhstan" was approved by the Decree of the Government of the Republic of Kazakhstan No. 927 on 2 December 2017, which is designed to accelerate the pace of the economic development and improve the living quality of our citizens. The program is aimed at developing digital technologies in key sectors of the country, improving the quality and quantity of

Digitalization of Tax Administration in Kazakhstan

Marat Sultangaziyev



Marat Sultangaziyev
Chairman
State Revenue Committee
Ministry of Finance of the
Republic of Kazakhstan

Abstract: Technology progress is changing the working methods of state authorities. The development strategy of the state revenue authorities of Kazakhstan envisages the use of information technologies and information systems to improve the quality and effectiveness of the functions. This article describes the main information systems used at this stage, and the benefits for the country using them.

Keywords: Digitalization; Tax administration; Kazakhstan; Product traceability; Risk management; Mobile application

1. Introduction and Background

In April 2019, the First Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) was held in Wuzhen, the People's Republic of China. More than 300 representatives from 85 jurisdictions, 16 international and regional organizations, academic institutions as well as business communities attended this Forum.

During the BRITACOF, *Memoandum of Understanding on the Establishment of the Belt and Road Initiative Tax Administration Cooperation Mechanism* for tax administration cooperation was approved and signed, marking the starting point for full-scale implementation of the Belt and Road Initiative Tax Administration Cooperation Mechanism (BRITACOM).

Kazakhstan attended the First BRITACOF and expressed confidence that this event will help develop necessary solutions to create the most favorable tax environment and will contribute to profound cooperation among Belt and Road Initiative (BRI) tax administrations. According to the *Wuzhen Action Plan (2019-2021)*, the State Revenue Committee of the Ministry of Finance of Kazakhstan (SRC) leads the task force on digitalization of tax administration.

One of the major goals of the BRITACOM is to improve the tax administration capacity of tax authorities. As Vice-chair of the BRITACOM Council, Kazakhstan fully supports this goal and has been committed to building a Belt and Road Initiative Tax Academy (BRITA) under the framework of BRITACOM.



Future plans

Further implementation of the Nur-Sultan Action Plan

Promoting the Digitalization of Tax Administration

Increasing the image of BRITACOM

Inclusion of lecturers from the SRC of the Ministry of Finance of the Republic of Kazakhstan in the expert group of BRITACEG

Conducting 4 webinars within the framework of the One Belt One Road initiative



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Thank you for your attention!