

Updates on Governmental actions regarding COVID-19 situation in Kazakhstan

This brief note relates to further updates regarding governmental actions to support businesses in Kazakhstan due to Covid-19 situation. Our note is intended to be a helpful guide – it is not comprehensive and does not constitute legal advice.

Suspension of arrests on bank accounts

6 April – for the period of the state of emergency, arrests on bank accounts of individuals registered as individual entrepreneurs and private practitioners, with the exception of those classified as having a high risk (determined by the Tax Code), are cancelled according to a press release of the State Revenue Committee (the "**Committee**").

It is also stated that the Committee sent a letter to the Ministry of Justice and the Republic's Chamber of Private Court Enforcement Officers requesting to temporarily suspend the effect of arrests on any accounts of citizens under previously awarded court orders and decisions, as well as issued tax orders, and to suspend the imposition of arrests on pending tax orders to collect the individuals' debts.

Increase of calculation coefficients

8 April – amendments were made to increase calculation coefficients in accordance with Decree No. 299 of the President of the Republic of Kazakhstan "On the amended republic's budget for 2020", dated 8 April 2020. Below is a comparative table with the revised coefficients established from 1 April 2020, as well as the coefficients that were valid from 1 January 2020 to 1 April 2020:

Coefficient	From 1 April 2020	From 1 January 2020 to 1 April 2020
Monthly calculation index	2,778 tenge	2,651 tenge
Minimum pension	40,441 tenge	38,636 tenge
Minimum subsistence level	32,668 tenge	31,183 tenge
Minimum basic pension payment	17,641 tenge	16,839 tenge
Minimum wage	42,500 tenge	42,500 tenge

Application of 8% VAT rate for socially significant products

8 April – the Information System of Electronic Invoices implemented a mechanism for applying the value added tax (VAT) at the rate of 8% when importing and exporting socially significant food products in accordance with the press release of the State Revenue Committee. The list of socially significant products consists of the following products:

- wheat flour of the first grade;
- wheat bread from flour of the first grade (tinned);
- elbow macaroni (sold by weight);
- buckwheat (unground, sold by weight);
- polished rice (short-grain, sold by weight);
- potatoes;
- and other products.

KINSTELLAR

This note was prepared by members of Kinstellar's Kazakhstan team: Joel Benjamin (Managing Partner), Kuanysh Shekerbekov (Senior Associate) and Alfiya Sharipova (Legal Assistant).

For further information, please contact **Joel Benjamin**, the Managing Partner of the Central Asia practice of Kinstellar at joel.benjamin@kinstellar.com and **Kuanysh Shekerbekov**, Senior Associate at kuanysh.shekerbekov@kinstellar.com.