Procedure for Confirming the Tax Residency Status of the Republic of Kazakhstan by Non-Resident Individuals for the Purpose of Exemption from Personal Income Tax (PIT) on Interest Earned from Bank Deposits

Under the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (the Tax Code), income earned by non-resident individuals has been subject to taxation since January 1, 2018. As a tax agent, the Bank is required to withhold personal income tax from interest accrued on savings accounts and remit it to the budget of the Republic of Kazakhstan.

Pursuant to Article 222 of the Tax Code of the Republic of Kazakhstan, an individual is recognized as a tax resident of the Republic of Kazakhstan if:

• the individual permanently resides in the Republic of Kazakhstan;

• the individual's center of vital interests is located in the Republic of Kazakhstan.

<u>Permanent Presence in the Republic of Kazakhstan</u>

Permanent presence is recognized as the stay of an individual in the territory of the Republic of Kazakhstan for **at least 183 calendar days** within any consecutive twelve-month period, including the days of arrival and departure.

To confirm permanent presence, the client must provide a document containing information on the period of stay in the Republic of Kazakhstan, confirming residence for no less than 183 calendar days during the preceding twelve months.

As a supporting document, a certificate generated through the state digital platform **<u>QazEta.kz</u>** is accepted.

QazEta.kz is a state digital platform established to provide foreign nationals with access to migration-related and other public services through a "one-stop-shop" approach.

For the purpose of confirming tax residency status, the above-mentioned certificate must be submitted at least once every six months.

<u>Center of Vital Interests in the Republic of Kazakhstan</u>

The center of vital interests is considered to be located in Kazakhstan **if all of the following conditions are met simultaneously:**

• holds citizenship of the Republic of Kazakhstan, a residence permit, or another permit authorizing residence in the Republic of Kazakhstan;

• the individual's spouse and/or close relatives (if any) reside in Kazakhstan;

• ownership of residential real estate in Kazakhstan that is available for living.

If an individual meets the above conditions, they are **recognized as a tax resident of the Republic of Kazakhstan for the subsequent six-month period within the same calendar year, subject to mandatory re-validation in the following calendar year.**

For the center of vital interests to be recognized as being located in the Republic of Kazakhstan, all three conditions must be satisfied simultaneously and supported by relevant documentary evidence.

For the purpose of confirming tax residency status based on the center of vital interests, compliance with all three conditions must be documented and confirmed at least once every six months.

Refund of Excessively Withheld PIT to a Resident

If personal income tax has been withheld from the income of an individual who is a tax resident of the Republic of Kazakhstan, the Client must apply to the Bank for a refund of the excess PIT withheld and provide the following documents:

- an application for a refund of the excess PIT withheld;
- documents confirming the status of the individual as a tax resident of the Republic of Kazakhstan;
- where necessary, other documents confirming entitlement to a PIT refund.