

CFC Rules in Kazakhstan: Do You Need to Disclose a Foreign Company and Pay Tax on Its Profits?



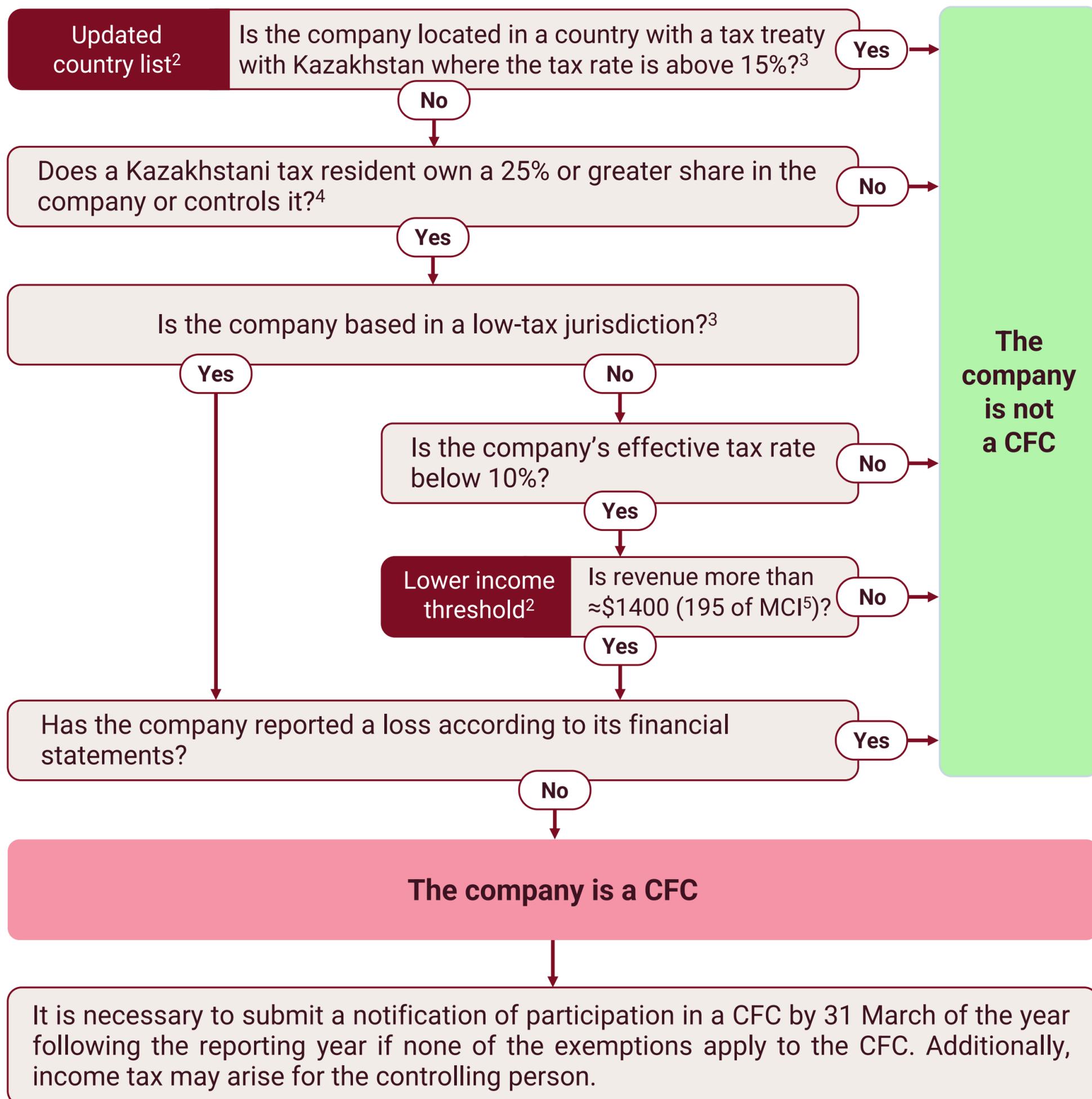
If a tax resident of Kazakhstan owns or controls a foreign company (or a structure without the formation of a legal entity), it may be considered a controlled foreign company (CFC). In such a case, the owner may be required to declare the CFC annually and pay income tax on its profits. To assess the tax implications of owning or controlling a foreign company, a tax resident of Kazakhstan should take the following steps:

<p>Step 1</p>	<p>Check if the foreign company qualifies as a CFC</p>	<p>See the diagram on page 2</p>						
<p>Step 2</p>	<p>Check if any exemptions apply or if the CFC's profit should be included in the controlling person's income</p>	<p>See the diagram on page 4</p>						
<p>Step 3</p>	<p>Depending on the situation, the CFC owner must provide documents to the tax authority and pay income tax</p> <table border="1"> <tr> <td data-bbox="416 1732 1135 2035"> <p>Submission of the notification of participation in a CFC</p> </td> <td data-bbox="1135 1732 1995 2035"> <p>No later than 31 March of the year following the reporting year</p> </td> </tr> <tr> <td data-bbox="416 2065 1135 2367"> <p>Submission of the tax return with the calculation of the CFC's profit</p> </td> <td data-bbox="1135 2065 1995 2367"> <p>Within 60 business days after the approval of the CFC's financial statements (but no later than 31 March (for legal entities) / 1 July (for individuals) of the second year following the reporting year)</p> </td> </tr> <tr> <td data-bbox="416 2398 1135 2700"> <p>Tax payment on the CFC's profit</p> </td> <td data-bbox="1135 2398 1995 2700"> <p>Within 10 calendar days from the tax return submission deadline</p> </td> </tr> </table>		<p>Submission of the notification of participation in a CFC</p>	<p>No later than 31 March of the year following the reporting year</p>	<p>Submission of the tax return with the calculation of the CFC's profit</p>	<p>Within 60 business days after the approval of the CFC's financial statements (but no later than 31 March (for legal entities) / 1 July (for individuals) of the second year following the reporting year)</p>	<p>Tax payment on the CFC's profit</p>	<p>Within 10 calendar days from the tax return submission deadline</p>
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<p>Tax payment on the CFC's profit</p>	<p>Within 10 calendar days from the tax return submission deadline</p>							

Note: The deadlines for reporting and paying income tax on the CFC's profits are established by clause 1 of article 336, clause 4 of article 359, and clause 3 of article 418 of the Tax Code

Step 1: Should Your Company Be Disclosed?

You can assess whether your company qualifies as a CFC in Kazakhstan¹ using the diagram:



Notes

1. The criteria for recognising a company (structure) as a CFC are set out in clauses 1 and 2 of article 332 of the Tax Code
2. Changes applicable from 2026
3. Lists of countries approved by the Ministry of Finance of Kazakhstan are provided on the next page
4. Including direct, indirect (or both) ownership and control as of 31 December of the reporting year
5. Monthly Calculation Index which is established annually by the President of Kazakhstan

Countries Relevant to CFC Rules in Kazakhstan

"White List": companies from these countries are not recognised as CFC in Kazakhstan (jurisdictions with a tax treaty with Kazakhstan and a tax rate > 15%)

Armenia	Finland	Mongolia	Slovakia
Austria	France	Netherlands	Slovenia
Azerbaijan	Germany	Norway	Spain
Belarus	India	Pakistan	Sweden
Belgium	Iran	Poland	Switzerland: only cantons of Aargau, Bern, Ticino and Zurich
Canada	Italy	Republic of Korea	Turkey
China: excluding Macau and Hong Kong	Japan	Romania	Ukraine
Croatia	Latvia	Russia	United Kingdom
Czechia	Luxembourg	Saudi Arabia	USA
Estonia	Malaysia	Singapore	Vietnam

The list is provided in the version of the Order of the Ministry of Finance of Kazakhstan dated 6 October 2025, No. 579, effective from 1 January 2026. **Hong Kong, Macau, Ireland and Tajikistan** have been excluded from the list applicable to 2025.

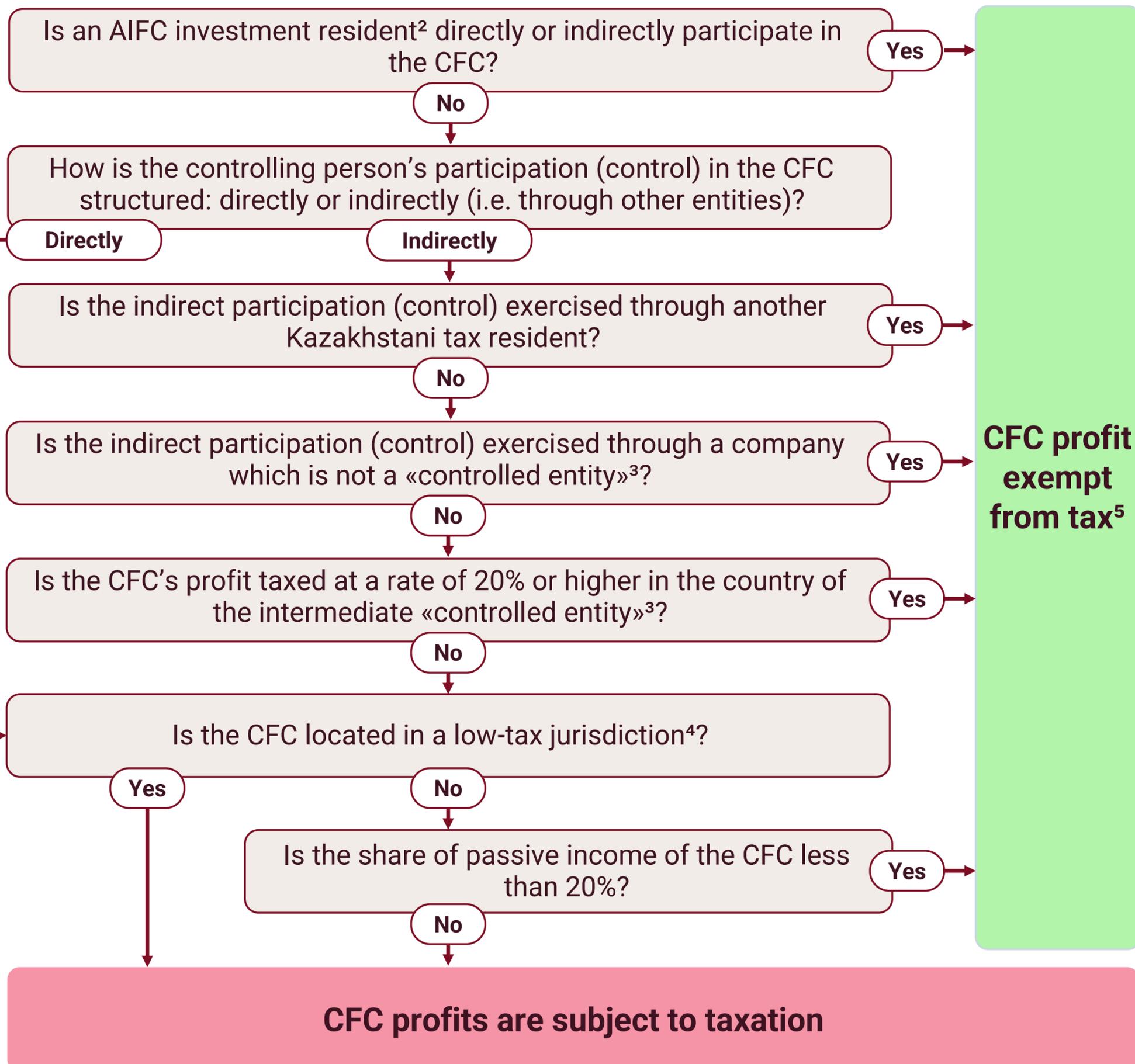
"Black List": companies from these jurisdictions may be recognised as CFC regardless of the effective tax rate and revenue

Andorra	Malaysia: Labuan enclave	Seychelles
Antigua and Barbuda	Maldives	Spain: Canary Islands
Bahamas	Malta	Sri Lanka
Bahrain	Marshall Islands	Suriname
Barbados	Mauritania	Tanzania
Belize	Mauritius	Tonga
Brunei	Monaco	Trinidad and Tobago
China:	Montenegro	United Kingdom:
– Hong Kong	Morocco: Tangier city	– Anguilla
– Macau	Myanmar	– Bermuda
Colombia	Nauru	– British Virgin Islands
Comoros	Netherlands: Aruba and dependent territories in the Antilles	– Cayman Islands
Costa Rica	New Zealand:	– Chagos Archipelago
Djibouti	– Cook Islands	– Channel Islands (Guernsey, Jersey, Sark, Alderney)
Dominica	– Niue	– Gibraltar
Dominican Republic	Nigeria	– Isle of Man
Fiji	Northern Mariana Islands	– Montserrat Island
France:	Palau	– South Georgia Island
– French Guiana	Panama	– South Sandwich Islands
– French Polynesia	Philippines	– Turks and Caicos Islands
– Kerguelen Islands	Portugal: Madeira	USA:
Grenada	Saint Kitts and Nevis	– American Virgin Islands
Guatemala	Saint Lucia	– Guam
Guyana	Saint Vincent and the Grenadines	– Puerto Rico
Jamaica	Samoa	– Wyoming state
Lebanon	San Marino	Vanuatu
Liberia		

The list is provided in the version of the Order of the Minister of Finance of Kazakhstan dated 12 September 2025, No. 492, effective from 1 January 2026. No substantive changes have been made compared to the list applicable to 2025.

Step 2: CFC Rules in Kazakhstan: Do You Need to Pay Tax on CFC Profits?

If a foreign company is recognized as a CFC for a tax resident of Kazakhstan, its profits must generally be included in the resident's taxable income. However, in certain cases such profits may be exempt from taxation. You can assess whether any of the CFC exemptions¹ apply to your company using the diagram:

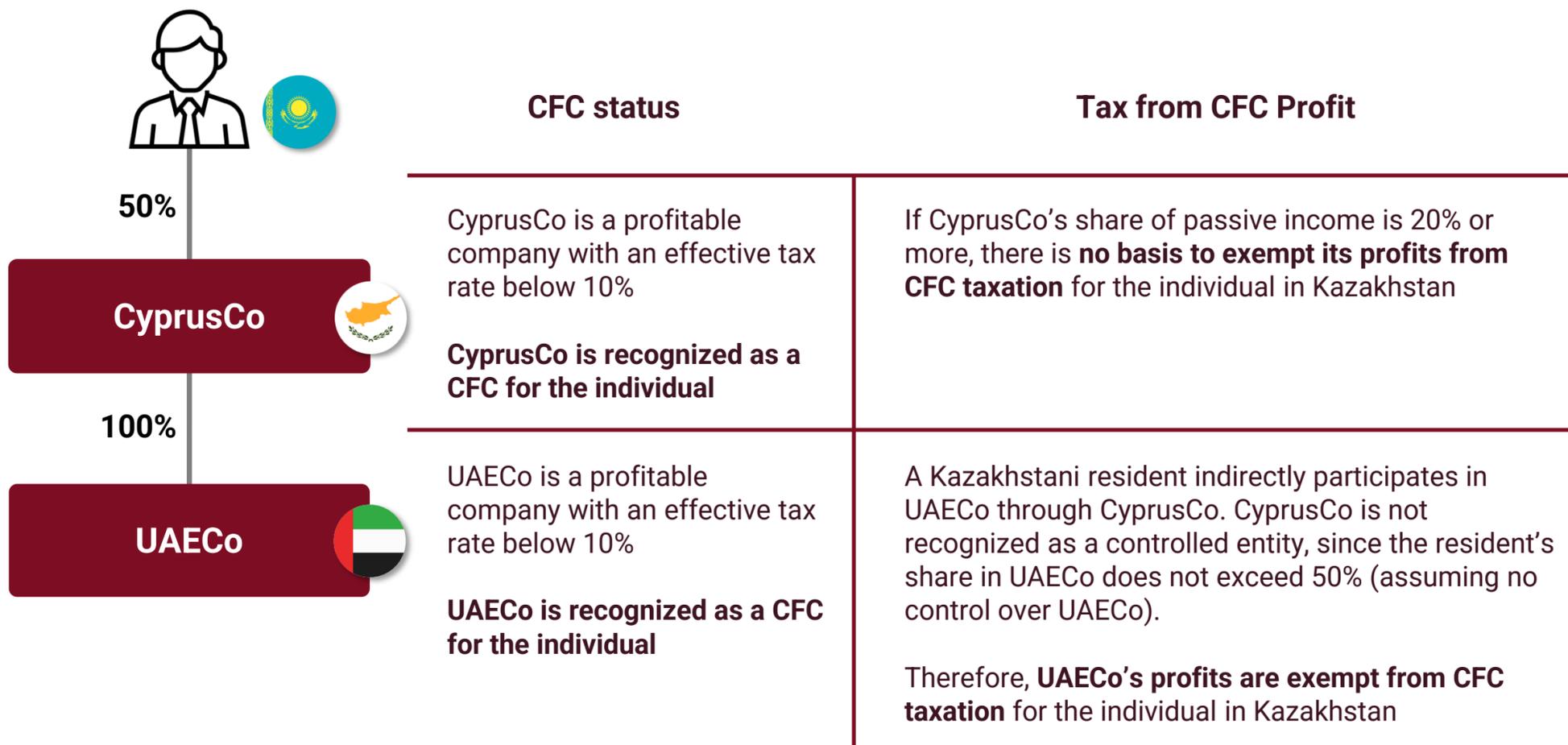


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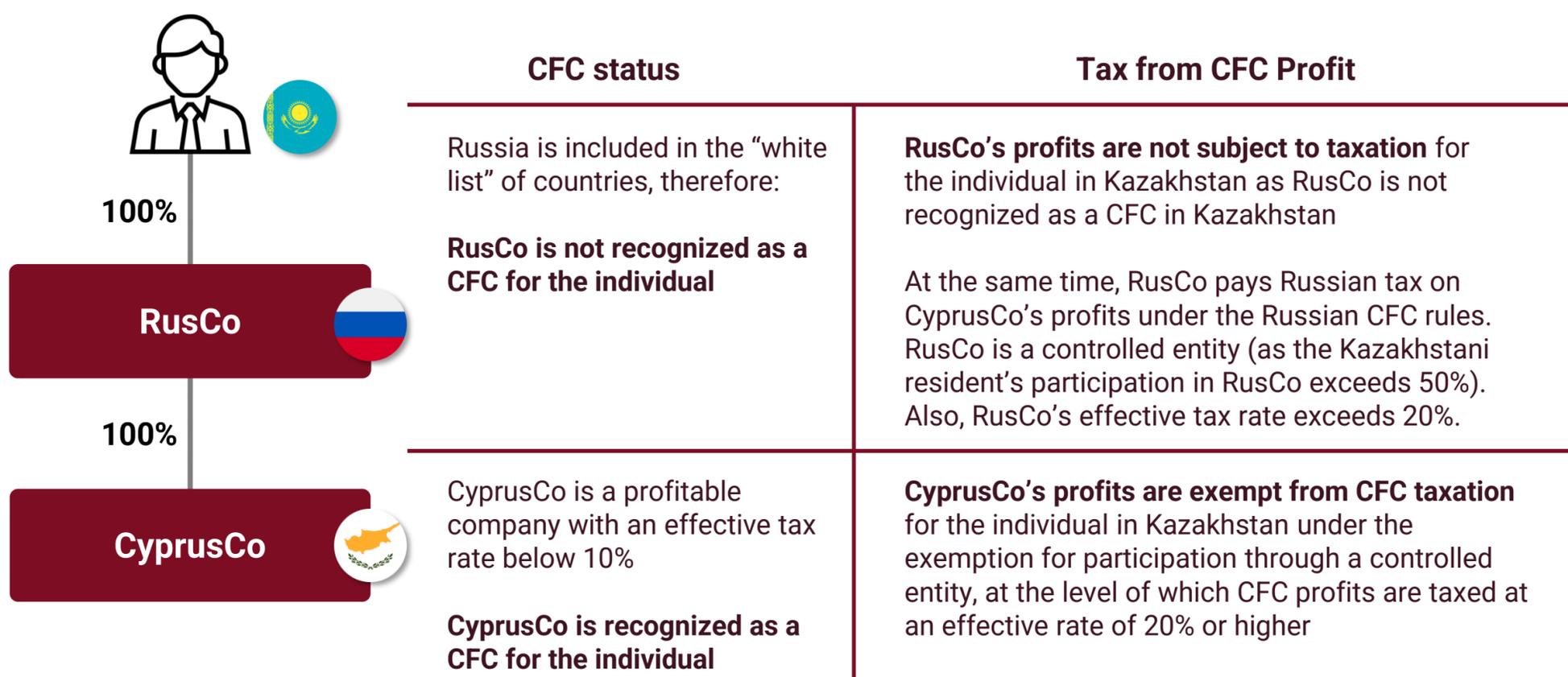
1. Tax exemptions for CFC profits are provided in clause 1 of the article 334 of the Tax Code
2. An AIFC investment resident may be an individual who has not been a tax resident or citizen of Kazakhstan in the past 20 years and has invested USD 60,000 in Kazakhstan
3. A controlled entity is (1) a company or structure in which a Kazakhstani tax resident holds more than 50% participation or exercises control, or (2) an individual who is a close relative of the Kazakhstani tax resident
4. The most current list of low-tax jurisdictions is approved by the Order of the Minister of Finance of Kazakhstan dated 12 September 2025, No. 492 No. 492 dated 12 September 2025.
5. For CFCs whose profits are exempt from tax, submission of a notification of participation in a CFC is not required as per clause 1 of the Article 336 of the Tax Code

How Are Tax Exemptions Applied in Cases of Indirect Participation in a CFC?

Example 1: A Kazakhstani tax resident (individual) directly holds a 50% share in CyprusCo, which in turn owns 100% of UAECO



Example 2: A Kazakhstani tax resident (individual) directly holds a 100% share in RusCo, which in turn owns 100% of CyprusCo



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