Astana Hub: tax planning opportunities in Kazakhstan

TAX INCENTIVES FOR IT COMPANIES

SEPTEMBER 2026

About Astana Hub

WHAT IS ASTANA HUB

Astana Hub is an international technology park for IT start-ups established in 2018. It operates in the form of an autonomous cluster fund. Its objectives are to build an ecosystem for the development of Kazakhstan's IT industry, attract international technology companies and promote the export of information technology (IT) services.

KEY TAX INCENTIVES

Astana Hub participants are exempt from corporate income tax (CIT) and VAT, from personal income tax (PIT) on salaries, as well as from social tax on the salaries of foreign employees and from withholding tax on certain payments to non-residents. The incentives are in force until 1 January 2029, and an extension to 2045 is under discussion. A summary of the tax incentives follows in Section 01.

WHO CAN BECOME A PARTICIPANT

A participant is a legal entity registered with the autonomous cluster fund Astana Hub. Both newly established and existing companies may apply. The key condition: at least 90% of annual income must be derived from priority IT activities (Article 17 of the Tax Code of the Republic of Kazakhstan, hereinafter – the Tax Code). The regime is extraterritorial: a participant may operate from anywhere in Kazakhstan – physical presence on the Astana Hub premises is not required.

01

Astana Hub tax incentives

CORPORATE INCOME TAX AND VAT

PAYROLL TAXES AND WITHHOLDING TAX

Corporate income tax and VAT

CORPORATE INCOME TAX (CIT)

Astana Hub participants are exempt from CIT on income from intellectual property (software, inventions), from informatization services (research, testing, technical support and user training) and on other income from priority activities (Articles 738–741 of the Tax Code). A nexus ratio applies to income from intellectual property and may limit the amount of income exempt from CIT.

VALUE ADDED TAX (VAT)

Sales of goods, works and services by Astana Hub participants are also exempt from VAT (Article 474 of the Tax Code). Imports of goods used in priority activities are exempt from VAT, subject to the approved list (Article 479 of the Tax Code). Services acquired by an Astana Hub participant from non-residents for priority activities do not constitute a taxable turnover – no reverse-charge VAT is payable (Article 454 of the Tax Code).

Payroll taxes and withholding tax

PERSONAL INCOME TAX (PIT) AND SOCIAL TAX ON SALARIES

Salaries of employees of Astana Hub participants are exempt from PIT (Article 429 of the Tax Code) and, in the case of foreign employees, are also exempt from social tax (Article 556 of the Tax Code).

WITHHOLDING TAX ON PAYMENTS TO NON-RESIDENTS

Royalties paid by an Astana Hub participant to foreign legal entities, as well as income from consulting, marketing and engineering services, information security services and data centre construction works, are exempt from withholding tax (WHT) (Article 681 of the Tax Code). Conditions: the recipient is not located in a state with preferential taxation (low-tax jurisdiction), and the services and royalties are acquired for priority activities.

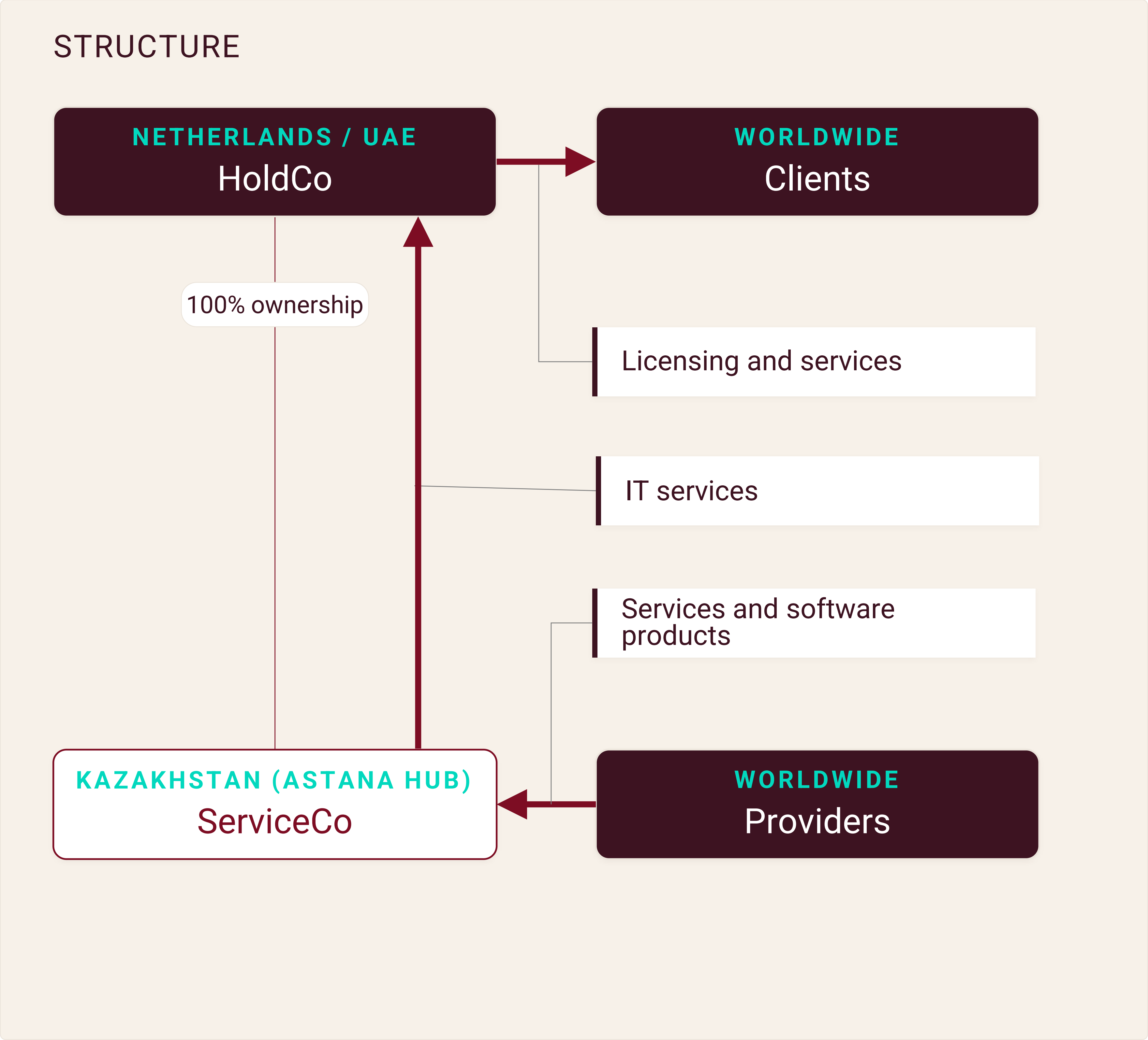
WITHHOLDING TAX ON DIVIDENDS AND CAPITAL GAINS

A reduced WHT rate applies to dividends and capital gains received by foreign investors from Astana Hub participants: 5% instead of the standard 15% (Article 682 of the Tax Code).

02 Case study: IT services within a group

HOW THE INCENTIVES APPLY TO AN INTERNATIONAL GROUP WITH A SERVICE COMPANY IN ASTANA HUB

Case study: IT services within a group



BACKGROUND

The diagram shows an example of a group structure with an IT company benefiting from the Astana Hub regime:

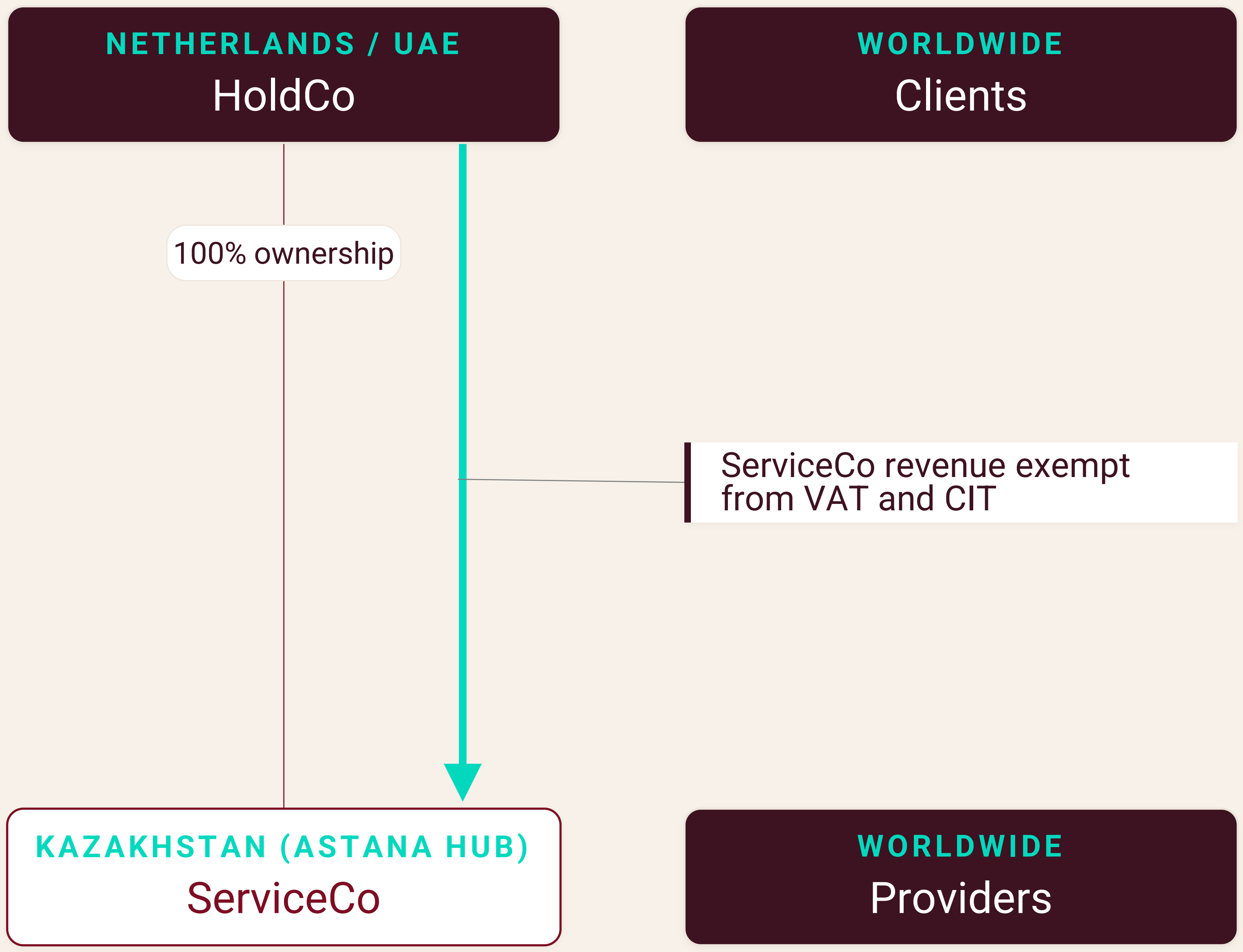
- ServiceCo is a Kazakhstan company and an Astana Hub participant providing informatization services: software design, adaptation and testing, as well as technical support.
- ServiceCo outsources part of its work to third-party providers.
- ServiceCo is owned by a foreign parent company, HoldCo (for example, in the Netherlands or the UAE).
- HoldCo also holds the exclusive rights to the software that ServiceCo adapts and supports.
- HoldCo earns revenue from commercializing the software. Dividend flows and investments are also structured through this company.

KEY BENEFITS OF THE STRUCTURE

ServiceCo benefits from the CIT, VAT, payroll tax and withholding tax incentives. A reduced rate also applies to dividend distributions.

CIT and VAT incentives

CASH FLOWS AND APPLICABLE INCENTIVES



CORPORATE INCOME TAX

As an Astana Hub participant, ServiceCo earns income from informatization services, which fall within one of the priority activities – software development and maintenance. CIT on such income is reduced by 100%, i.e. the income is effectively exempt from CIT.

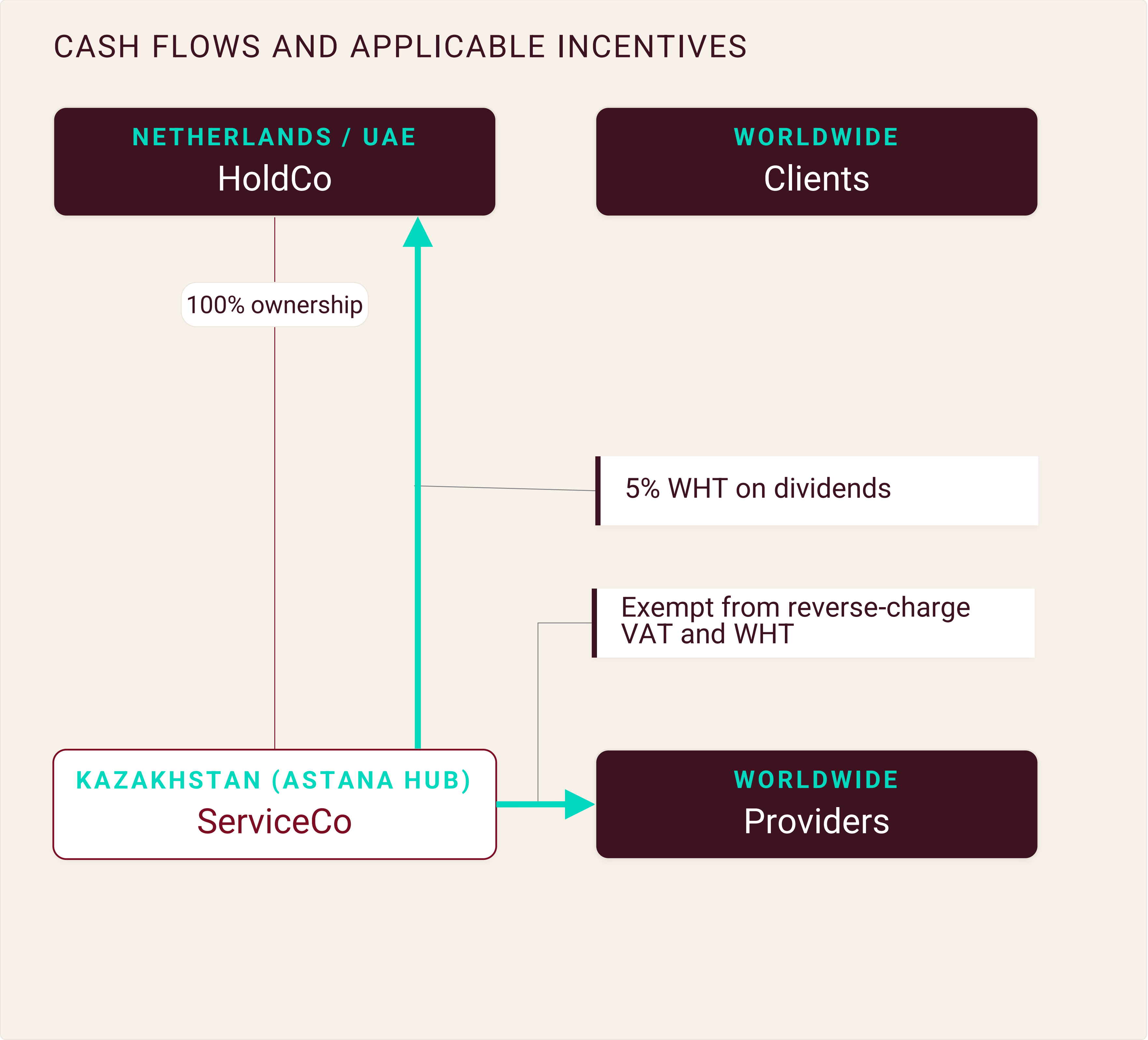
ServiceCo also complies with the specific requirements for applying the incentive to income from IT services (Article 741(2) of the Tax Code):

- The contract with HoldCo complies with Kazakhstan law;
- Employment contracts are concluded under the Labour Code of Kazakhstan;
- Sufficient staff with the required qualifications and IT experience;
- ServiceCo's expenses correspond to those actually required to provide the services.

VALUE ADDED TAX

ServiceCo's revenue is exempt from VAT. No reverse-charge VAT is payable on services acquired from non-residents (e.g. foreign contractors).

Withholding tax and payroll tax incentives



PAYMENTS TO FOREIGN PROVIDERS

Royalties and fees for consulting, marketing and engineering services, information security services and data centre construction works paid by ServiceCo to foreign providers are exempt from withholding tax (WHT).

The exemption applies provided that the recipient is not registered in a state with preferential taxation (low-tax jurisdiction) and the services or royalties relate to priority activities.

REVERSE-CHARGE VAT

No reverse-charge VAT is payable on services acquired from non-residents (e.g. foreign contractors).

DIVIDENDS AND SALARIES

Dividends paid by ServiceCo to HoldCo are subject to 5% WHT. Salaries of ServiceCo employees are exempt from PIT and, in the case of foreign nationals, also from social tax.

03 Criteria for Astana Hub participants

CONDITIONS FOR APPLYING THE INCENTIVES

PRIORITY ACTIVITIES

Conditions and priority activities

CONDITIONS FOR APPLYING THE INCENTIVES

Astana Hub participants must derive at least 90% of their annual income from priority IT activities. Goods produced must meet the own-production criteria. For informatization services, employees must have the required qualifications and experience, and the amount of expenses must be substantiated.

Participants must also pay a quarterly fee of 1% of income from priority activities, report on their activities quarterly and, above an income threshold, have the structure of their income confirmed by an independent auditor.

PRIORITY ACTIVITIES

The current list of priority activities includes development, implementation, support and commercialization of software and information systems; data processing; IT R&D; microelectronics, robotics, radio technologies and telecoms; information security; cloud technologies; blockchain; unmanned systems; artificial intelligence; online marketplaces based on proprietary software; IoT; games; IT training; VR/AR; and computing infrastructure. Consulting and general services are not included in the list.

CONTACTS

Contact us to discuss your situation:

Victor Kalgin

Managing Partner

T: +7 905 709 52 84 | +7 777 032 31 59

E: vkalgin@globalaimcons.com

Elena Popova

Partner

T: +7 985 250 68 82

E: epopova@globalaimcons.com