How can I enter the Kazakhstani market?
There are numerous ways of entering the Kazakhstani market, such as partnering with a local distributor, working through a representative/branch office or setting-up a local LLC. Choosing the right way at the beginning is crucial to your success, and depends on your market as well as on your company's commitment to it.

Is it possible to start my activities quickly and without making a long-term commitment?
Our service package “Market Entry FAST TRACK” enables you to quickly enter the Kazakhstani market without registering a legal entity. It combines the import and certification of goods with the recruiting and outstaffing of local employees, allowing you to establish your presence via a virtual office. This is a very fast way of starting your business activities in Kazakhstan without making the commitment of opening an LLC.

How can I set-up an LLC in Kazakhstan?
A ‘TOO’ in Kazakhstan is the equivalent of a Western Ltd company. The liability of the TOO’s shareholder(s) is limited to the amount of their contributions to the charter capital. The minimum charter capital for a regular TOO is about 975 EUR, while there is no defined minimum for small TOOs. Registration of a TOO by foreign shareholders can be done within less than 1 month.

Are there any limitations on foreign companies setting up a legal entity in Kazakhstan?
Generally there are no restrictions on setting up a Kazakhstani legal entity with a foreign company as a sole shareholder. Nevertheless, there are restrictions regarding the activities of such legal entities in certain industries.

What decisions must be taken prior to the registration of an LLC?
Prior to the registration of an LLC, the charter capital and the company’s location must be chosen. Furthermore, it must be decided who will be appointed as the company’s general director. Taking into account the extensive power possessed by general directors in Kazakhstan, such a decision should be taken wisely. The same can be said for the drafting of the company’s charter.
Can a foreign individual be appointed as general director of an LLC in Kazakhstan?

A foreign individual can become general director of a Kazakhstani LLC only after obtaining a work permit. Currently, only citizens of Russia and Belarus are exempt from this obligation. In the period between company registration and obtaining of the general director’s work permit, it is necessary to employ a local interim manager who will be legally responsible for the company.

#InterimManagement

How to employ a foreigner in Kazakhstan?

Employing foreigners is highly complicated and strongly regulated, and includes prescribing job descriptions and the corresponding qualification requirements, adhering to local : foreign worker ratio requirements and country quotas. The process of obtaining a work permit takes approximately 3 - 6 months and can only be started after the registration of the employing company, representative office or branch is completed. Exceptions apply to citizens of Russia and Belarus and heads of the branches and representative offices of foreign companies.

#WorkPermit

Do I need a visa for a business trip to Kazakhstan?

Until December 31, 2017, a 15-day visa-free regime is in place for citizens of Australia, Belgium, Finland, France, Germany, Hungary, Italy, Japan, Malaysia, Monaco, the Netherlands, Norway, Singapore, Spain, Sweden, Switzerland the UK, the United Arab Emirates and the USA. The number of entries is not limited and a 30-day business visa for prolongation of such stays can be obtained without leaving the country. Furthermore, visa exemptions are in place for citizens of South Korea, Argentina and several CIS countries.

#Migration

What are the requirements of HR administration in Kazakhstan?

The Kazakhstani Labour Code stipulates numerous documents and reports that have to be prepared in particular ways. A typical set of HR documents required contains an employment agreement, order on employment, personal card, order on changing the employee structure, order on changing of the leave schedule, order on holiday and business trips, and if required, order on provision of compensations and allowances or conclusion of an addendum to the Agreement on Obligatory Insurance, and much more.

#HRAdministration

What are the particularities of accounting in Kazakhstan?

All legal entities, branches and representative offices, as well as other permanent establishments in Kazakhstan, are obliged to keep accounting records. While small and medium-sized businesses are allowed to apply local accounting standards, the majority of companies in Kazakhstan use IFRS for their accounting. Even though Kazakhstan is far ahead of its neighboring countries in terms of application of IFRS, numerous special documents and procedures are required by law. Aspects unusual to Western companies are, for example, separate VAT invoices and acts of acceptance, or the fact that all important documents have to be signed and sealed with a company stamp.

#Accounting

What accounting and ERP systems can be used in Kazakhstan?

Generally, there are no restrictions on the use of any reliable accounting system. Nevertheless, an overwhelming majority of companies active in Kazakhstan use the local software “1C:Enterprise”. Due to its adaptation to local requirements, its usability for the creation of special documents and its relatively low price, 1C is the preferred software of most companies in Kazakhstan. The system
comes with a full scale IFRS accounting package and has additional trade, payroll and production modules, but can also be customized for the processing and storing of data from customs. In order to quickly export data to the foreign HQ, several IT solutions are available or can be developed.

#ERP

How do I pay taxes?
In the World Bank's Doing Business Report, Kazakhstan is ranked 17th in the category of paying taxes. Corporate and personal income tax rates are below the OECD average, but due to Kazakhstan's Soviet heritage, reporting is rather time consuming and bureaucratic. Certain burdens and pitfalls exist due to the vast amount of supporting documents and necessary procedures that are required to deduct all expenses and avoid double taxation. Part of this is also down to the fact that in order to claim VAT, various steps are necessary, including an audit by the tax authorities.

#PayingTaxes

Are there further tax privileges?
The Kazakhstani Tax Code provides a wide range of tax privileges, preferences and exemptions foreign companies may benefit from. Tax preferences are granted to participants of the country's numerous special economic zones and full exemptions are granted for the repatriation of profits from several long term activities. Furthermore, there are various support mechanisms and investment preferences for companies engaged in so called priority projects. Support measures and tax preferences for such projects can really add up, and depend on case-by-case negotiations with the authorities.

#TaxConsulting

How can I acquire a local business?
In several cases it might be reasonable not to set-up a company from scratch, but to acquire shares in an already existing company. Such a way of entering the market is often chosen if a foreign company would like to engage in business activities that require local licenses, as obtaining such licenses can be rather difficult in many cases. During the acquisition of a local company numerous aspects have to be taken into account to ensure a smooth transfer and to avoid legal and financial risks. This includes not only exercising legal and tax due diligence, but often also obtaining anti-monopoly approval. Whether or not anti-monopoly approval is required depends not only on market share, but also on many other factors.

#Acquisition #DueDiligence