**EXPLANATORY NOTE**

**to the Draft Order of the Minister of Finance of the Republic of Kazakhstan**

**«On the approval of the forms of decisions of the state revenue authority**

**and the application regarding the mutual agreement procedure»**

(hereinafter – the Draft)

**1. Name of the state authority responsible for drafting the act**

Ministry of Finance of the Republic of Kazakhstan.

**2. Legal grounds for the adoption of the draft regulatory legal act, with references to relevant legal acts, provisions of international treaties ratified by the Republic of Kazakhstan, decisions of international organizations in which the Republic of Kazakhstan participates, and/or instructions of the President, the Presidential Administration, the Government, and the Prime Minister’s Office, or other justifications for the need to adopt the draft**

The Draft has been developed In accordance with Article 232, paragraph 4 of Article 49, and paragraph 2 of Article 113 of the Tax Code of the Republic of Kazakhstan.

**3. Need for financial expenditures related to the implementation of the draft regulatory legal act and its financial support, including the source of funding, and, if required by budget legislation, the decision of the relevant budget commission (supporting calculations, reference to the source of funding, and a copy of the budget commission’s decision must be attached)**

The adoption of the Draft will not require the allocation of financial resources from the republican budget.

**4. Expected socio-economic, legal, and/or other implications for the general population, as well as the impact of the provisions of the draft regulatory legal act on national security**

The adoption of the Draft will not result in any negative socio-economic and/or legal consequences.

**5. Specific goals and timeframes for the expected outcomes, with a detailed description for individual potential stakeholders (government, business community, population, and other groups)**

The purpose of the Draft is to formalize and regulate the mutual agreement procedure in order to eliminate double taxation and fulfill the international obligations of the Republic of Kazakhstan. Its adoption will ensure legal certainty for taxpayers and enhance the transparency and predictability of administrative procedures. The expected outcome is an improved investment climate and increased alignment of the Republic of Kazakhstan with the standards of the Organization for Economic Co-operation and Development.

**6. The need to bring legislation in line with the proposed regulatory legal act, if adopted (indicate whether the adoption of other legal acts or amendments to existing acts is required), or a statement confirming that no such changes are needed**

No such changes are required.

**7. Compliance of the draft regulatory legal act with international treaties ratified by the Republic of Kazakhstan and decisions of international organizations in which the Republic of Kazakhstan participates**

Compliant.

**8. Results of calculations confirming the reduction and/or increase in costs for private business entities due to the entry into force of the draft regulatory legal act, if applicable**

The adoption of the Draft will not result in any increase or decrease in the costs incurred by private business entities, as the enactment of the draft regulatory legal act does not introduce such changes.

**Minister of Finance**

**of the Republic of Kazakhstan          M. Takiyev**