

## ANNOUNCEMENT

### **New system of special tax regimes: expanding coverage of the population by the social and pension system**

Starting January 1, 2026, in Kazakhstan, in connection with the entry into force of the new Tax Code of the Republic of Kazakhstan and amendments to the Social Code of the Republic of Kazakhstan, updated special tax regimes (STRs)<sup>1</sup> will be introduced: STRs for the self-employed, STRs based on a simplified declaration, and STRs for peasant or farm households (PFHs). These regimes regulate not only the payment of taxes by self-employed citizens but also compulsory pension contributions.

#### **1. STR for self-employed individuals, including those operating using internet platforms**

The STR for the self-employed, which will be implemented starting in 2026, is intended for individuals (Kazakhstan citizens, qandas) **who are not individual entrepreneurs (IEs) and do not employ hired workers**. The STR for the self-employed applies to a limited list of activities approved by the Government of the Republic of Kazakhstan.

The income limit for self-employed individuals applying the STR for a calendar month<sup>2</sup> must not exceed 300 times the monthly calculation index (MCI) in effect as of January 1 of the relevant financial year (3,600 MCI per year).

Self-employed individuals applying this STR independently pay mandatory pension contributions (CPC) and employer compulsory pension contributions (ECPC) on their income.

The STR pension contribution rates for the self-employed are:

- CPC – 1% of income,
- ECPC – 1% of income.

Self-employed individuals will use this STR using a dedicated mobile app, based on their receipts and other information on income received from other sources. Income accounting in areas without public telecommunications networks is maintained in the STR for self-employed individuals using a simple form developed independently, indicating the date, transaction type, amounts received for each transaction, and the total amount for each day and month.

For self-employed individuals using STR and **operating through internet platforms<sup>3</sup> and/or mobile platform employment applications<sup>4</sup>**, the internet platform operator will withhold and transfer CPC and ECPC.

Pension contribution rates for self-employed individuals operating through internet platforms and/or mobile platform employment applications also amount to:

- CPC – 1% of income,

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<sup>1</sup> in accordance with the Law of the Republic of Kazakhstan dated July 18, 2025 No. 215-VIII "On Amendments and Additions to Certain Legislative Acts on Taxation Issues" from January 1, 2026

<sup>2</sup> in accordance with Article 718 of the new Tax Code of the Republic of Kazakhstan

<sup>3</sup> in accordance with Article 102-1 of the Social Code of the Republic of Kazakhstan

<sup>4</sup> Internet platform operator (operator) - an individual entrepreneur or a legal entity that provides services using an Internet platform to provide technical, organizational (including services involving third parties to provide work or services), informational and other capabilities using information technologies and systems to establish contacts and conclude transactions for the provision of services and the performance of work between contractors and customers registered on the Internet platform (Article 102 of the Social Code of the Republic of Kazakhstan)

- ECPC – 1% of income.

## **2. STR based on simplified declaration**

Individual entrepreneurs and legal entities resident in the Republic of Kazakhstan may use the STR based on a simplified tax return, with the exception of taxpayers specified in paragraph 2 of Article 723 of the Tax Code of the Republic of Kazakhstan (legal entities in which other legal entities own more than 25 percent of their shares, non-profit organizations, participants in special economic and industrial zones, etc.).

The STR based on a simplified tax return may be used by the following individuals under certain conditions:

- whose maximum income for a calendar year does not exceed 600,000 times the minimum calculation index (MCI) in effect as of January 1 of the relevant financial year;
- those engaged in activities not included in the list established by the Government of the Republic of Kazakhstan for which the use of the STR based on a simplified tax return is prohibited.

Pension contribution rates for the STR based on the simplified declaration are:

- CPC - 10% of income,
- ECPC - 3.5% of income in 2026, with subsequent annual increases to 5% in 2028.

## **3. STR for peasant or farm households**

Peasant or farm households may apply the STR for peasant or farm households if they own land plots in Kazakhstan under private ownership and/or land use rights (including secondary land use rights).

The selected STR for peasant farm households is not subject to change during the calendar year, except in cases where the peasant farm household's activities no longer meet the conditions for its application.

The STR pension contribution rates for peasant farms are:

- CPC - 10% of income,
- ECPC - 3.5% of income in 2026, with subsequent annual increases to 5% in 2028.

Peasant or farm households applying the STR for peasant farms, when receiving income from activities not covered by the STR for peasant farms, calculate, pay the relevant taxes, and submit tax reports on them under the following tax regimes:

- 1) under the STR based on a simplified tax return, if the conditions for its application are met;
- 2) in accordance with the generally established procedure.

Payment of CPC, ECPC under the STR for the self-employed, STR based on a simplified tax return, and STR for peasant or farm households (PFH) is due no later than the 25<sup>th</sup> day of the month following the month in which the income is received.

The implementation of the STR for the self-employed, the STR based on a simplified tax return, and the STR for peasant farms aims to:

- expand coverage of the pension and social system through the active involvement of the self-employed and micro-businesses;

- simplify business operations for millions of Kazakhstani citizens;
- further digitalize tax administration through mobile apps and online platforms.

These innovations will enable the accumulation of pension savings, ensure social security for working citizens, and create incentives for them to come out of the shadow economy.

*UAPF was founded on August 22, 2013 on the basis of GNPF APF JSC. The founder and shareholder of the UAPF is the Government of the Republic of Kazakhstan represented by the State Institution Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at [www.enpf.kz](http://www.enpf.kz))*