June 2026

TAX ALERT

HLB TAXENCE

Resolution of the Cabinet of Ministers of the Kyrgyz Republic No. 431 of June 20, 2026 “On Amendments to Certain Decisions of the Cabinet of Ministers of the Kyrgyz Republic in the Field of Taxation”

The Resolution was adopted for the implementation of the Law of the Kyrgyz Republic No. 243 of October 29, 2025, “On Amendments to Certain Legislative Acts of the Kyrgyz Republic in the Field of Taxation.”

Key Amendments

1. Amendments to the Procedure for Conducting Desk Tax Audits (Cameral Audits)

- Targeted amendments have been introduced into the Regulation on the Procedure for Conducting Desk Tax Audits by Tax Authorities, aimed at clarifying the procedures for interaction between tax authorities and taxpayers.
- It is specified that where information is obtained regarding discrepancies in a taxpayer’s performance indicators, errors in the calculation of tax liabilities, or mistakes in the completion of tax returns, such information shall be forwarded by the tax authority for the purpose of conducting either a desk audit or a field tax audit.
- The scope of desk audits has been expanded. It now expressly includes verification of the correctness of indirect tax calculations (VAT and excise tax) on goods imported from the territories of EAEU member states, including transactions involving goods for which the VAT tax base exhibits risk indicators under the risk management system of the authorized tax authority.
- Taxpayers are now expressly entitled, together with objections submitted in response to a notice, to provide additional documents, including certified copies or extracts from accounting records, confirming the accuracy of the reported data.
- The procedure for calculating the period for issuing a decision based on the results of a desk audit has been clarified. If no objections are submitted and no amendments are made to the tax reporting, the decision shall be adopted no earlier than 15 calendar days from the day following the delivery of the notice and the report on identified discrepancies to the taxpayer.
- The amendments also provide for the possibility of delivering decisions resulting from desk audits through the information systems of the authorized tax authority or other information systems in accordance with tax legislation, including electronic delivery without requiring the taxpayer’s consent to receive electronic correspondence.

2. Amendments to the Procedure for Reimbursement and Refund of Excess VAT

- Significant amendments have been introduced into the Regulation on the Procedure for Conducting Desk Audits of the Validity and Amount of Excess VAT, the Procedure for Reimbursement and Refund of Excess VAT, and the List of Documents Confirming the Export of Goods. These amendments are intended to further detail refund procedures and strengthen controls over their justification.
- It is established that a VAT taxpayer may, within the applicable limitation period, submit two separate applications:
  - an application for a desk audit to verify the validity and amount of excess VAT; and
  - an application for reimbursement and refund of the amount of excess VAT confirmed as a result of such audit.
- The forms of these applications are subject to approval by the authorized tax authority.
- The list of documents to be submitted together with an application for a desk audit has been clarified, and taxpayers are now required to provide certified copies of supporting documents.
- At the same time, specific circumstances have been established under which applications will not be considered, including:
  - the existence of an initiated criminal case related to the taxpayer's tax obligations; and
  - the period during which an appeal is being reviewed regarding the results of a tax audit concerning VAT matters.
- After the excess VAT amount has been confirmed, the taxpayer must submit a separate application for reimbursement and refund of that amount. The confirmed amount may be:
  - applied toward VAT on imports;
  - used to settle outstanding liabilities for other taxes; or
  - refunded to the taxpayer's bank account.
- For certain reimbursement cases, confirmation from customs authorities is required. The taxpayer must submit:
  - a certificate in the prescribed form confirming the importation of goods; and
  - where a refund to a bank account is requested, a certificate confirming the absence of VAT debt on imports.
- Customs authorities are responsible for monitoring the use of reimbursed amounts, and such amounts may be used exclusively with respect to the imported goods specified in the relevant certificate.

- The amendments further promote inter-agency electronic interaction between tax and customs authorities. Where information regarding the existence or absence of customs payment arrears can be verified through electronic systems, submission of written confirmations is no longer required.
- The tax authority must make a decision on an application for reimbursement and refund of excess VAT within 7 calendar days from the day following receipt of the application. The decision may either approve or deny the application.
- Additional criteria have been specified for reviewing applications under the simplified procedure, including risk indicators related to the duration of the taxpayer's business operations, the continuity and duration of export activities, the existence of significant additional tax assessments resulting from previous audits, discrepancies in data contained in EAEU information systems, inconsistencies in supplier data, and the ratio of the claimed reimbursement amount to the total amount of taxes paid.

Resolutions of the Cabinet of Ministers of the KR dated June 5, 2026:

1. **No. 398 "On Guarantees and Compensation for Persons Living and Working in High-Mountain Areas of the Kyrgyz Republic";**
2. **No. 399 "On the Regulation of the Application of Guarantees and Compensation for Persons Living and Working in Remote, Hard-to-Reach, and Certain High-Mountain Settlements of the Kyrgyz Republic."**

In June 2026, the Cabinet of Ministers of the Kyrgyz Republic adopted two resolutions aimed at improving the procedure for granting state guarantees and compensation to persons living and working in high-mountain, remote, and hard-to-reach settlements of the Kyrgyz Republic.

Resolution No. 398 establishes the rates of regional coefficients and monthly salary supplements for employees of organizations located in high-mountain areas.
Resolution No. 399 defines the rates of regional coefficients for remote and hard-to-reach settlements, additional regional coefficient rates for certain high-mountain settlements, as well as the amounts of monthly supplements.