AMERICAN CHAMBER OF COMMERCE
IN KAZAKHSTAN

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AMCHAM WHITE PAPER

Trade, Transport, and Logistics (TTL) Committee

EXECUTIVE SUMMARY:

The AMCHAM TTL Committee has compiled this white paper to address urgent and recurring bottlenecks in Kazakhstan's trade, transport, and logistics environment. These issues result in disruptions, reduced productivity, and significant financial losses for multinational and local companies. The TTL Committee aligns with the Government of Kazakhstan's broader goals to improve the ease of doing business by identifying inefficiencies, promoting transparency, and proposing actionable, collaborative solutions. This paper highlights key problem areas and specific recommendations to foster regulatory reform and improve coordination between the private sector and relevant authorities.

ISSUE 1: Customs Valuation and Inclusion of Dividends

Problem: Kazakhstan's State Revenue Authorities are conducting customs audits that include dividend payments to foreign shareholders as part of the customs value of imported goods. This implies that post-import dividends are treated as underpaid value on the imported goods, subjecting them to additional customs duties and VAT. However, the Customs Code of the EAEU and Kazakhstan's customs legislation do not provide a legal basis for including dividends in customs value. Dividends are typically profit distributions and should not be interpreted as import-related payments.

Recommendation:

- Exclude dividends from the customs value calculation with support of AMCHAM, Eurasian Economic Commission, and the State Revenue Committee.
- Issue official clarifications and guidelines at the national level aligned with international best practices under the WTO Customs Valuation Agreement.
- Coordinate with independent legal experts to provide businesses with model responses and appeals in case of audits referencing dividend inclusion.

ISSUE 2: Delays and Lack of Transparency at Central Customs Laboratory

Problem: When the customs risk control system flags a cargo, it is forwarded to the Central Customs Laboratory for expert classification and analysis. However, the laboratory's conclusions are delayed by up to two months, significantly delaying cargo clearance. Worse, major U.S. companies have reported instances of cargo being misplaced. The laboratory process lacks transparency—importers are not informed of the status or responsible individuals, nor are timelines provided.

Recommendation:

- The State Revenue Committee should establish a digital tracking system to monitor laboratory submissions.

- Establish service-level agreements (SLAs) for lab processing timelines.
- Recommend periodic audits and third-party reviews of the laboratory operations to enhance accountability.

ISSUE 3: Keden Customs Declaration System Deficiencies

Problem: The newly introduced Keden customs software lacks essential functionality. The system allows only one shipment number, which creates complications when a consignment is split across multiple trucks (Column 40*) . Currency names are not visible unless USD is used, making it difficult for declarations involving other currencies (see the Column 42*) .

Recommendation:

- State Revenue Committee should review consolidated list of technical issues to the system developers via the.
- Develop a user feedback group of logistics companies and IT experts to co-develop patches and system upgrades.
- Suggest interim manual override processes for cases where the system's limitations hinder compliance.

ISSUE 4: Middle Corridor – Port Congestion, Vessel Shortages, and Cost Inefficiencies

Problem: Severe congestion at Port Kuryk (Kazakhstan) and Port Alyat (Azerbaijan) is causing 3–4-week delays, especially for Roll-on/Roll-off (RoRo) and ferry cargo. Inadequate vessel capacity worsens the situation, leading to cascading delays and increased operational expenses. Consequently, many shippers revert to Russia-bound, faster and cheaper routes (12–14 days vs. 25–35 days).

Recommendation:

- The Ministry of Transport could establish a joint coordination task force with Azerbaijan to address cross-port congestion.
- Promote investments in additional RoRo vessels and port automation to scale capacity.
- Propose incentives for shippers to use the Middle Corridor by offering priority scheduling or partial cost compensation during pilot periods.

ISSUE 5: E-Queue System at China-Kazakhstan Border Crossings

Problem: Initially successful, the e-queue system implemented in early 2023 has become severely overbooked. Queue slots are fully booked up to 30 days in advance, and while a truck waits for its turn at the China-KZ border, it cannot be used for domestic or alternative international routes due to system limitations. Interestingly, express slots are available, but cost USD 700, which is prohibitively expensive.

Recommendation:

- Develop a dual-path system for high-volume traders and small operators.
- Allow system administrators dynamic reassignment of trucks between KZ-China and KZ-UZ border crossings.
- Consider a cap or subsidy for the express queue costs to avoid market distortions.

ISSUE 6: E-System for Transit Permits (Dozvols) and Paper Delays

Problem: Although the e-system for permit issuance has improved transparency, companies still have to wait at least 10 days before receiving the physical permit. Since trucks must leave within 30 days of issuance, this leaves only 20 days for exit. Additionally, used permits must be returned within 60 days, which is frequently unachievable due to border congestion.

Recommendation:

- Implement complete digitalization, including electronic signatures and digital storage of permits.
- Adopt legislative amendments to extend exit validity to 60 days and return validity to 100 days.
- Encourage reciprocal recognition of digital permits with key trading partners.

ISSUE 7: Disproportionate Allocation of Dozvols for Lithuania and Latvia

Problem: Local Kazakh carriers consistently report shortages of bilateral and transit permits for Lithuania and Latvia. Conversely, foreign carriers operating, such as Belarusians under

Kazakh registration, can access permits without constraints. This undermines the competitiveness of domestic transport operators and causes underutilization of fleet assets.

Recommendation:

- Propose permit allocation transparency measures and publish permit issuance statistics.
- Recommend bilateral negotiations with the Lithuanian and Latvian authorities to increase quotas for Kazakh carriers.
- Advocate for a rotating allocation system based on utilization rates and market needs.

ISSUE 8: Transit Documentation Requirements and Permit Procedures in Kazakhstan

Problem: Despite the exemption of transit shipments from conformity certificates under EAEU Decision No. 130, customs officials continue to demand these permits at border crossings, resulting in duplication of requirements at both transit and import clearance stages. Export control applications are frequently refused with unclear, generic explanations, which forces repeated resubmissions and extending processing time to up to seven business days. These inefficiencies are further compounded by limited administrative resources within the agencies to manage the growing volume of dual-use goods applications, leading to arbitrary refusals and procedural delays.

Recommendation:

- Issue clear guidance confirming that certificates/declarations of conformity are not required for transit shipments, in line with Decision No. 130.
- Require agencies issuing export control conclusions to provide specific written reasons for refusals, rather than generic “not enough description.”
- Introduce a digital pre-clearance process for frequently shipped goods, allowing companies to obtain long-term permits valid up to 3 years.
- Consider a “trusted trader” program to grant simplified procedures for companies with proven compliance track records.

CONCLUSION

To enhance Kazakhstan’s competitiveness and support U.S. and international investors, AMCHAM TTL urges the Government of Kazakhstan to address these pressing issues in partnership with the private sector. This white paper serves as both a diagnostic tool and a roadmap toward improved efficiency and reduced friction in cross-border trade.