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ХАБАРШЫСЫ

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ХАЛЫҚАРАЛЫҚ БИЗНЕС УНИВЕРСИТЕТІНІҢ ХАБАРШЫСЫ»

- ғылыми және мерзімді баспа басылымы болып табылады және 2006 жылдан бастап жарияланып келеді.

Журналдың тақырыбы экономика, инновация, IT технологияларын дамыту мен менеджмент, маркетинг және қаржы саласындағы өзекті мәселелерге арналған.

Мақалалар төменде көрсетілген негізгі тараулар бойынша орналасады:

- Қазіргі экономикадағы интеграция;
- Ұлттық экономиканың бәсекелестікке қабілеттігі;
- Қаржы секторы;
- Адам ресурстары.

Алыс-жақын шет елдердің белгілі авторлары мен зерттеушілері журнал беттерінде өз еңбектерін жариялаған (Қырғызстан, Әзірбайжан, Ресей, Украина, Польша, Италия және т.б.).

Қазақстанның барлық аймақтарынан журналда жарияланған қоры - 1000-нан астам мақалдан тұрады.

Журнал келесі принциптер негізінде оның мазмұнына тікелей ашық қол жеткізуді қамтамасыз етеді: зерттеу нәтижелері тегін қоғамдық қол жеткізу, жаһандық білім алмасуына ықпал етеді.

«ВЕСТНИК УНИВЕРСИТЕТА МЕЖДУНАРОДНОГО БИЗНЕСА»

- это научное и периодическое издание, которое издается с 2006 года.

Тематика журнала посвящена актуальным проблемам в области экономики, инноваций, развития и управления ИТ-технологиями, маркетинга и финансов и др.

К публикации в журнале принимаются статьи научно-практического характера по следующим направлениям:

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На страницах журнала печатались известные авторы и исследователи из ближнего и дальнего зарубежья (Кыргызстан, Азербайджан, Россия, Украина, Польша, Италия и др.).

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Журнал предоставляет непосредственный открытый доступ к своему контенту, исходя из следующего принципа: свободный открытый доступ к результатам исследований способствуют увеличению глобального обмена знаниями.

"UNIVERSITY OF INTERNATIONAL BUSINESS BULLETIN" i

s a scientific and periodical journal, published since 2006.

The subject of the Journal is correspondence of sociology, economics, innovation, development of IT technologies, management, marketing and finance, and others.

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Total resources: more than 1000 articles from all regions of Kazakhstan.

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СОДЕРЖАНИЕ

Aukenova A.B. AUDIT AND DEVELOPMENT OF AN INDEPENDENT AUDIT IN THE REPUBLIC OF KAZAKHSTAN	5
Zhaleleva S.Z. EFFECTIVENESS OF BUSINESS ENTITIES IN KAZAKHSTAN	9
Askhatova A.A., Daukenova A.M., Kaisar Zh.M. COMPARATIVE ANALYSIS OF ENGLISH AS A MEDIUM OF INSTRUCTION IN NON-ENGLISH SPEAKING COUNTRIES	14
Bakhribekov A.R. TAX POLICY OF KAZAKHSTAN IN THE CONDITIONS OF MODERNIZATION	17
Omarov G.S., Tuseeva I.Kh., Taskin E. KZCASH IS INNOVATIVE NETWORK OF PAYMENTS	22

AUDIT AND DEVELOPMENT OF AN INDEPENDENT AUDIT IN THE REPUBLIC OF KAZAKHSTAN

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Abstract: The article discusses the essence of the audit and auditing activities, characteristics and qualities inherent in the audit and development of an independent audit in the Republic of Kazakhstan. Based on the analysis of theoretical positions, historical experience of Kazakhstan and other countries, the current Kazakhstan legislation, recommendations and proposals for improving the auditing activity developed.

Key words: Audit, Independent Audit in Kazakhstan, BIG4 companies.

As the Leader of Nation of Kazakhstan Nazarbayev N.A noted in the February 2017 issue of Russian newspaper, "... we are on the verge of creating a radically new, differently constructed model of the world economy, politics and global security." So, he further stressed that "... radically new approaches to the analysis, understanding and practical self-renewal of the world in an era of global crisis can serve as a single basis for posing, discussing and practical solving such issues at all levels and in different bodies in a single systemic, constructive and in a positive way." We need a "clear plan for a radical update." Undoubtedly, professional economists, accountants, auditors, all those who at the end of the last century gained invaluable experience in crisis management should play a significant role in its development and implementation. [1, p.20]

The relevance of the study of the problems of professional audit of economic activity is associated with the interest of all participants in obtaining a reliable assessment of economic activities for the

prevention and minimization of possible risks and obtaining the greatest economic effect.

If with the help of accounting sources of information formed, in turn, the audit allows identifying and eliminating possible mistakes made in planning, organizing and regulating the economic processes of the activity.

The audit is widely used in world practice. The main prerequisite for such independent financial control is the mutual interest of the audited entity (owners), the state, represented by the authorized bodies and the auditing organization in ensuring the accuracy of accounting and reporting.

The development and adoption of legal acts, in particular the Law on Auditing, the Code of Ethics of Auditors and International Standards on Auditing, which used to govern ethical, legal, methodological and market relations related to the implementation of audit activities in the Republic of Kazakhstan.

In turn, the strict requirements of the above legal acts contribute to the independence of the audit from the influence of state bodies. This circumstance is the basis for obtaining the accuracy and completeness of information on the state of affairs in various sectors of the economy of the Republic of Kazakhstan.

In accordance with the Law of the Republic of Kazakhstan "On Auditing", an audit is understood as a check for the purpose of expressing an independent opinion on financial statements and other information related to financial reporting, auditing is understood as an entrepreneurial activity on auditing financial statements and other



information related to financial statements, reporting, and the provision of services by activity profile. [2, p.204]

The Law of the Republic of Kazakhstan "On Auditing Activity" dated November 20, 1998, as amended and supplemented, that it established that the audit in Kazakhstan is carried out in accordance with International Standards on Auditing, which do not contradict the laws of the country, published in the state and Russian languages by an organization having permission to their official publisher languages by an organization that has written permission for their official publication in the Republic of Kazakhstan from the Committee on International Audit Practice at the International Federation of Accountants.

This right was fully possessed by a professional audit organization - the Chamber of Auditors of the Republic of Kazakhstan, which is a full member of the International Federation of Accountants.

Legislative consolidation of the need to carry out an audit according to international standards, providing for both conducting audit procedures and systematic control over their quality, make it possible to ensure work according to the same rules binding for all and served further integration into the global audit community.

Auditing standards adopted at a conference of the Republican Chamber of Auditors and approved by the authorized state body. [3, p.25]

At the fifth Republican Conference of Auditors, held in March 2000, it was decided to switch the audit of Kazakhstan to international standards and adopt them as national ones.

The Chamber of Auditors of the Republic of Kazakhstan carried out the first edition of the International Standards on Auditing in Kazakhstan in 2001.

The first edition played a positive role, having served in our country to develop and improve the auditing profession, allowing it to be guided by harmonized standards in order to provide high-quality services in the public interest. The publication of the International Standards on Auditing and the Code of Ethics of the 2006 edition, which had a circulation of 3000 copies, distributed to all interested parties. More

than a third of copies donated to state bodies, educational institutions and professional organizations of the Republic of Kazakhstan and the CIS countries. [4, p.130]

Auditing standards defined as regulatory documents that establish uniform audit requirements and determine the principles and procedures for conducting an audit.

Standards define the general approach to conducting an audit, the scope of the audit, the types of audit reports, methodology issues, and the basic principles that all members of this profession must follow, regardless of the conditions under which the audit was conducted.

General standards are certain qualities and qualifications that an auditor must possess in order to effectively and professionally carry out the tasks before him (this requires preparation, competence, independence, objectivity, proper attention during the audit).

Operating standards are the rules by which auditors guided in carrying out audit tasks (planning, supervision and control, collecting reliable information, and studying and evaluating the internal control system).

Reporting and auditing standards relate to the form, content, placement and transfer of materials based on the results of the audit. The report must indicate the compliance of the financial statements with the accounting requirements.

International standards on auditing (hereinafter referred to as ISAs) developed by the Committee on International Auditing Practice (hereinafter referred to as CMAP). KMAP is a standing committee of the Council of the International Federation of Accountants (hereinafter referred to as IFAC), which was established in 1997 and was founded in New York.

The Committee on International Auditing Practices publishes standards and regulations for auditing and related services in order to increase the unity of audit practices and related services worldwide.

Auditing standards define the regulatory requirements for its quality and reliability and provide a certain level of independence, objectivity,

professional competence, confidentiality of information about the results of the audit. With the improvement of the mechanism of economic reforms, auditing standards are subject to periodic review in order to meet the requirements of time.

The version of "International Standards on Auditing in Kazakhstan" was recommended by the decision of the International Regional Federation of Accountants and Auditors of Eurasia to the CIS countries for adoption as a basis. [5, p.120]

When conducting the audit, the auditor should regulate their activities using the standards adopted in the country, and in some cases according to professional experience and personal judgment.

International auditing standards define the general approach to auditing, the scope of the audit, the types of audit reports, methodology issues, and the basic principles that auditors should follow. At the same time, these standards do not regulate specific actions, techniques, procedures used in the verification process. They may be different, for the purpose intrafirm audit standards serve. Audit organizations in solving the next audit problems focus on the methodology, practical importance and develop audit standards taking into account the peculiarities of the economic structure.

In addition, to ensure the high quality of the services provided, auditors and auditing organizations in the development of internal standards, standards are invested in the basis of international standards of auditing, taking into account the specifics of the work of the audit organization itself and taking into account specific procedures and procedures for audits, gathering audit evidence, documenting them, etc. When conducting audits, internal standards facilitate the collection of necessary evidence, reduce the time for verification, and reduce the risk of errors in drawing up a conclusion. Thus, internal auditing standards provide a unified (proprietary) approach to auditing in a given audit firm. [6, p.556]

Meanwhile, standards really contribute to improving the quality of services provided, the development of audit technology. However, the very same standards should not be unduly detailed, which

can restrain the initiative of the auditor. In this case, the audit will be no more than a mechanical collection of information. Given the high importance of internal standards for the economic and social status of an audit organization, their content is a commercial secret. Usually they are signed by the developers and must be approved by the head of the audit organization. The presence of internal auditing standards also allows for effective internal control of the audit firm and its employees. [7, p.43]

Compliance with international and internal standards is not enough; the necessary elements of an audit also include: compliance with the principles of auditing; staffing with highly qualified personnel; a clear distribution of rights and duties, proper performance of functions by each employee; careful planning and documentation of the audit; instructing and advising staff; selection of the audited persons before the conclusion of the contract; regular checks of the reliability and efficiency of the internal audit quality control system; the necessary measures for employees who improperly fulfill their duties. [8, p.49-57]

Author V.V. Scobar points out that to achieve a high level of quality audit services and the organization of effective internal control with the development of methodologies for the application of standards on a national scale or the creation of internal standards by the audit organizations and auditing associations. At the same time, these standards should cover the full range of audit procedures from preliminary planning to the transfer of the opinion to the audited entity. According to the author, intrafirm quality control ensured by establishing the procedure and procedures for overall quality control of work within the company, the procedure for distributing the duties of employees in the audit process, and quality control procedures during each inspection. [9, p.576]

Foreign authors Arens EA, Lobbek J.K. rely on the rules of the Committee for Quality Control Standards. These standards (SAS) designed to assist in the implementation of generally accepted GAAS standards during each audit, while they do not



contain specifically defined quality control procedures.

A. Arens and James Lobbek in their book emphasize that if people using audit services evaluate their professional level by degree of complexity, this will not lead to anything good, since it is difficult for a non-expert to understand the quality of these services. Public confidence in high quality services increases when, within the framework of this profession, there are high standards for the implementation of professional activities, as well as their behavior. The authors identify several ways to influence the behavior of auditors to improve the quality of audit services; generally accepted auditing standards and requirements of the Securities and Exchange Commission, Code of Professional Ethics, and quality control, qualification examinations of auditors, continuous professional training, and legal liability. [10, p.557]

Studying Kazakhstani market, it is clearly visible that a significant part of it occupied by auditing companies with foreign participation. It is impossible not to take into account that, historically, the audit in Western countries has developed at an earlier stage and the practice of Western audit companies is more extensive and developed.

Meanwhile, in Kazakhstan market, audit organizations with foreign participation by large Kazakhstani companies and holdings are in high demand. Audit considered as a means of control over management efficiency and as an element of risk insurance. Representatives of medium and small businesses recognize the value of the audit.

In the study of the market of audit services in Kazakhstan, we can say that for firms, organizations, the audit has a significant effect, because it is, in its own way, an assistant to confirm the authenticity / unreliability of financial statements, assess the internal control system, identify risks and prevent them, profitably resources of firms.

Undoubtedly, in general, the audit brings a positive result. However, in Kazakhstan, auditing faced with problems of a different nature, such as the fact that the Kazakhstan audit market dominates

(with a large margin from other companies) the audit companies that belong to the "BIG4", namely: Deloitte & Touche, Ernst & Young, PriceWaterhouseCoopers, and KPMG. The dominant position determined by the presence of a huge international practice. Meanwhile, conducting a comparative analysis of the qualification characteristics of the big four companies and other Kazakhstani companies, it can be noted that in recent years a number of Kazakhstani auditing companies in the Kazakhstan market of audit services are not inferior in many criteria to the companies of the "BIG4".

The state policy in the field of audit services largely influences the development of the Kazakhstani sector of audit services. For example, the introduction of an electronic procurement system has expanded the competitive capabilities of Kazakhstan companies. However, it does not always seem like a chance to realize these opportunities. For example, it is not clear why an organization announcing a tender for the purchase of audit services for tax obligations, as mandatory qualification requires ACCA, ACA, CPA certificates (and strictly in a certain amount) for a potential service provider. Unfortunately, we have to admit that in this way almost all Kazakhstani audit companies are out of the participation in the competition.

Often, the conditions of competitions are in conflict with the law, which leads to a conflict of interest. For example, when a company announces a tender for an audit with the preparation of financial statements. One company cannot compile financial statements and itself check it for accuracy. There are many of such examples in practice.

In conclusion, this article wanted to draw attention to the following, when choosing an audit organization, carefully study its history and the composition of its team. Before ordering an audit, the management of the entity being audited must understand the purpose for which the audit is ordered. It is advisable to firstly, agree on all the issues before the audit. As higher the level of transparency and openness between the parties, so the audit will be beneficial for the customer and will bring positive results.

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EFFECTIVENESS OF BUSINESS ENTITIES IN KAZAKHSTAN

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The effectiveness of entrepreneurship can be assessed by several parameters, including profit and its dynamics over time, share in the gross domestic product of a country, number of enterprises and their dynamics, conditions for doing business, level of competitiveness of business units, etc.

It becomes possible to consider data on the contribution to the gross domestic product of the country by small and medium-sized enterprises of Kazakhstan, presented in Figure 1.

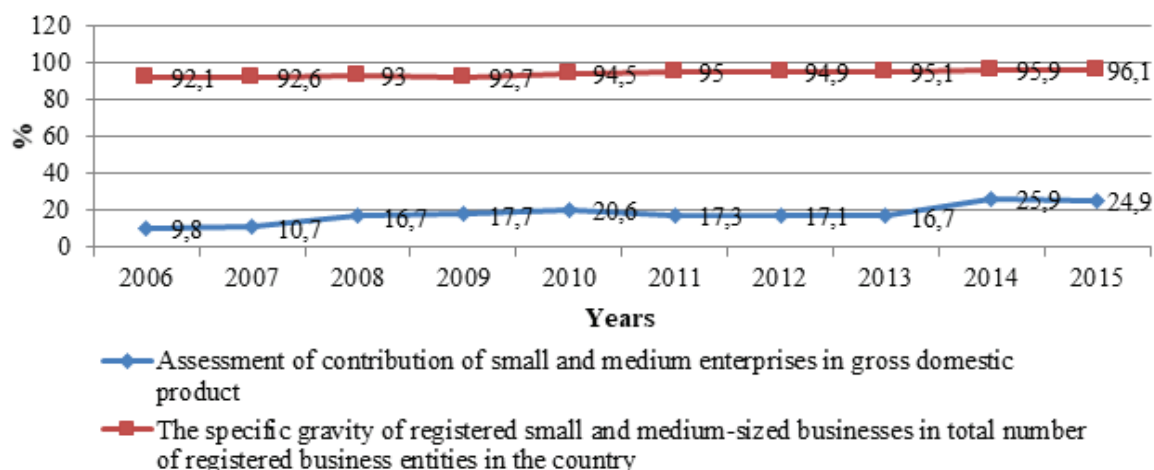


Figure 1. Dynamics of the main indicators of the development of small and medium enterprises of the Republic of Kazakhstan

Note – Compiled on the basis of data from the Committee on Statistics of the MNE RK [1, p. 35-36]



As shown in Figure 1, contribution of small and medium-sized businesses over the past ten years has increased significantly. Thus, the increase amounted to 15.1%, reaching a share of 24.9% by 2015. At the same time, the share of registered small and medium-sized businesses was increased over the ten-year period by only 4.0% from 92.1% in 2006 to 96.1% in 2015. The increase in the first indicator is due to positive trends in the economy, which have led to an increase in entrepreneurial activity of the population, the creation of conditions for expanding the spheres of private investment, the development of public-private partnerships, the improvement of the legislative framework, etc.

In general, as of January 1, 2017, there were 383850 enterprises of all forms of ownership and size functioning in Kazakhstan, as shown in Figure 2.

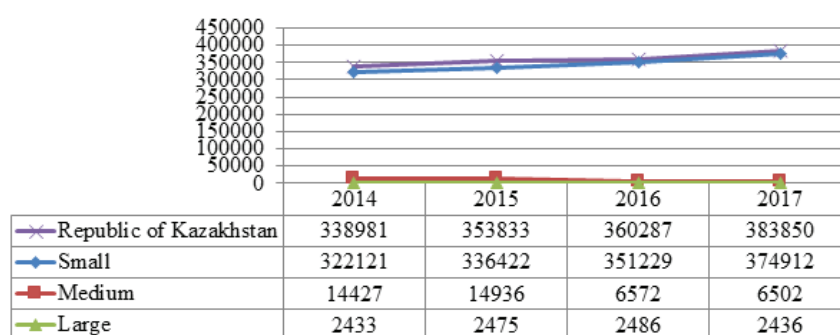


Figure 2. The number of enterprises of the Republic of Kazakhstan in size as of the beginning of 2014-2017

Note – Compiled on the basis of data from the Committee on Statistics of the MNE RK [1, p. 35-36]

As can be seen from Figure 2, the number of enterprises in the whole country is constantly increasing. Thus, for the time period presented in Figure 2, from 2014 to 2017, in the Republic of Kazakhstan, it became act on 44869 units more, including the number of small forms increased most significantly – by 52791 units, the number of large enterprises increased by 3, and the number of medium-sized businesses, on the contrary, fell by 7,925 units. It can be seen that the increase in businesses is mainly due to small forms. For example, if we consider these indicators in the share ratio, then 97.67% in the total amount falls on small businesses, an increase over the period amounted to 2.65%, medium-sized enterprises – 1.69% in the total structure in Kazakhstan, which is less by 2.56% compared with the beginning of 2014, and the proportion of large – 0.63%, compared with the beginning of the analyzed period, there is a slight decrease of 0.08%.

Among the reasons that small forms of entrepreneurship receive the greatest development in recent years, one can consider their advantages over

other forms of business, the presence of a system of support for small and medium-sized businesses, the existence of special tax regimes for small businesses in the country, etc. For example, such types of support as insurance, financing and investment, micro-crediting, granting privileges and preferences, grants, consulting and training, informational support, guaranteeing, crediting, leasing, subsidizing, providing services made this possible [2]. The increase in the number of small enterprises and the decline in medium-sized ones is partly due to the change in the method of classifying them into groups in connection with the adoption of a new Entrepreneurial code [3].

A large role in the development of entrepreneurship is played by organizations established at the initiative of the state, which are part of the structures of national managing holdings. They include a large number of companies of various dimensions and areas of activity, designed to improve the competitiveness and sustainability of the national economy. They are also responsible for anticipating possible negative changes in world markets and improving the efficiency of companies. For example, the main tasks of Sovereign wealth fund

“Samruk-Kazyna” JSC are to develop and ensure implementation of investment projects of regional, national and international scale, support and upgrade existing assets of the Fund's group of companies, assist in the development of regions and implement social projects, support domestic producers, domestic goods and services [4]. The development of the agro-industrial complex is carried out with the participation of “KazAgro” National managing holding” JSC, designed to ensure affordable, targeted and effective use of state and attracted resources, carrying out the further development of the industrial, information and service infrastructure of the agro-industrial complex [5]. Another national managing holding in Kazakhstan is “Baiterek” National managing holding” JSC, whose goal is to optimize the management system of development institutions, financial organizations and the development of the national economy, and the key task is to ensure the effective and complementary functioning of the group of companies belonging to this holding. In this regard, the main activities of the “Baiterek” National managing holding” JSC are to support the sustainable development of the economy of the Republic of Kazakhstan through the provision of financial support to priority sectors of the economy; support of small and medium-sized businesses; support of new, modern industries and the development of innovation; support of export activities of Kazakhstan companies; assistance in solving socially oriented tasks of the state [6]. All of the above management holdings include various companies that contribute to the realization of the designated mission, goals and objectives of the holdings, as well as the development of business relations in the country.

Within the framework of interaction between the state and business, the most interesting are the indicators on joint forms of organizing business activities in various sectors of the economy. The share of such enterprises is low, at the beginning of 2017 amounted to 0.24%, having decreased by 0.05% since the beginning of 2014. The share of large enterprises in Kazakhstan as a whole decreased by the same figure and amounted to 4.19% at the end of the period under review. Most of these large-scale joint ventures are

found in the water supply, sewerage system, control over the collection and distribution of waste (28.95%), electricity, steam and air conditioning (17.39%), information and communication (15%), in transport and warehousing (14.13%), professional, scientific and technical activities (8.75%), education (6.86%), in real estate operations (7.69%). There are 30.51% of medium-sized enterprises in the field of information and communication, which is 14.79% more than at the beginning of the period, medium in financial and insurance activities – 9.09%, in professional, scientific and technical activities – 7.92%. Very small values are noted for the share of small enterprises in government and defense, compulsory social security, wholesale and retail trade, in the repair of cars and motorcycles (0.02%), small ones for the provision of other types of services (0.06%), for healthcare and social services, in construction (0.10%), small in the manufacturing industry (0.12%), etc. There are no similar forms of ownership in such areas as mining and quarrying (medium), wholesale and retail trade, car and motorcycle repair (large), accommodation and food services (large), public administration and defense, compulsory social security (medium).

Through partnerships between the state and business, it is intended to solve the problems of overcoming global instability and create conditions for socio-economic development in the Republic of Kazakhstan. Examples of such projects include data provided by the Kazakhstan Center for Public-Private Partnership, on the basis of which there are currently 239 projects with a total value of KZT 635,504.4 million. They should be implemented in housing, health care, infrastructure, culture, education, public order, environmental protection, passenger transport and highways, entrepreneurship, agriculture, social services, construction, transport and logistics, tourism, management of solid waste facilities, physical culture and sports, in power engineering and housing and communal services [7].

Thus, it is possible to draw a conclusion about the uneven development of business and joint projects in the regions of the country both in terms of quantitative indicators and in the funds allocated to them. Of course, in this matter it is necessary to take into



account the fact that projects in different areas of activity designed for the long term of their implementation cannot be claimed in all regions of the country at the same time, since some of them have already solved similar tasks. The same unevenness can be observed when studying the number of all forms of business in various spheres of economic activity, as mentioned above.

In our opinion, the conditions for the implementation of business activity are very favorable. This is evidenced by international indicators. Thus, according to the latest data, Kazakhstan is already 28th in the rating of ease of doing business, which is higher than the similar value of previous years [8, p. 5]. For completeness of information on this indicator, it can be considered in the presented study conducted by the World Bank (Table 1).

Indicators	Rank
Overall	28
Starting a Business	36
Dealing with Construction Permits	35
Getting Electricity	76
Registering Property	18
Getting Credit	60
Protecting Minority Investors	1
Paying Taxes	56
Trading across Borders	102
Enforcing Contracts	4
Resolving Insolvency	37
Note – Compiled by the author based on the source [9]	

Table 1 – Data on the ease of doing business, 2019

As follows from Table 1, the rating for doing business varies in terms of starting a business, dealing with construction permits, connecting to power grids, registering property, etc. Thus, the best positions are by the protecting minority investors, enforcing contracts and registering property, and the worst positions are by such factors as trading across borders, getting electricity and getting credit. But we have to say, that all of these weaknesses were reduced during last years,

and rank of Kazakhstan among other countries increased significantly.

Evaluating all of the above, it should be concluded that in Kazakhstan for many years attempts have been made to create conditions for successful business activities. Nevertheless, despite the rather high investment rating set by various world experts, the national economy of Kazakhstan has rather limited opportunities to raise funds for modernization, which

gives it a new post-industrial content. In this connection, the choice of directions for the development of small and medium-sized businesses and, in particular, the implementation of new projects should be approached with great prejudice, since there are examples where their implementation does not produce the desired results, and they often fail. In the conditions of limited investment funds in the development of innovative projects, in our opinion, the implementation of those that are not such should be excluded. In this regard, there is an increasing need to strengthen the control functions of government, eliminating the unfair use of investment resources, the inclusion of uncivilized shadow mechanisms, lobbying and corruption that divert investment resources from the main directions of modernizing the economy that will give the national economy a new post-industrial look, allowing to solve the problems of transition to a competitive level of a higher technological structure. ■

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COMPARATIVE ANALYSIS OF ENGLISH AS A MEDIUM OF INSTRUCTION IN NON-ENGLISH SPEAKING COUNTRIES

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Abstract: The presented article states on the comparative analysis of implementation of English medium instruction in Kazakhstan and other non-English speaking countries by presenting a small-scale study of revealing the attitudes of graduate students and lecturers towards EMI in Kazakhstan. Compared to other countries, Kazakhstan has a number of similar issues in the implementation of English medium instruction, which creates the possibility of conducting a practice based on the experience of others. The research on English as a medium of instruction has revealed that EMI in Kazakhstan is in need of further guidance and investigation.

Key words: English as a medium of instruction (EMI), higher educational institutions (HEIs), mother tongue, non-English speaking countries.

English as a tool of teaching academic subjects in non-Anglophone countries is an international trend of the current century. Since English has become a language of technology, political and economic relationship, web communication, necessity of being part of global community has considerably increased. It resulted in conducting academic subjects in English, in countries where it is non-native language. It leads to the question regarding how English as a medium of instruction (EMI) is being implemented in Kazakhstan in comparison with other non-English speaking countries. As Dearden mentioned, «Definition of English as a medium of instruction was the use of English

language to teach academic subjects in countries or jurisdictions where the first language (L1) of the majority of the population is not English» [1, p. 2]. Considering the researches, the analysis demonstrated that though EMI is spreading and proliferating as an indicator of higher quality of education, there are unreported objects of inappropriate improvement of EMI [2, p. 5].

The studies that considered in this research demonstrated different attitudes. While one of them proved the positive impact of this program in terms of higher quality of education that students obtain, other researchers stated the negative effect of EMI. Spread of English in Japan can be considered as the sample of positive influence of EMI. According to Brown, EMI is an outstanding tendency in current educational system of Japan [3, p. 421]. It does not only guide to a contemporary role of English in teaching, but also constructs positive cooperation and modification in mastering English as a foreign language. Turkish educational system also demonstrated the support of EMI. The study, conducted there states that lecturers and students in higher educational institutions (HEIs) support the idea of EMI implementation. Majority of universities in this country applied partial EMI programs, providing thirty per cent of their subjects through English language [4, p. 1822]. According to Başıbek et al., lecturer cling to the notion that there are much more materials and information in English rather than in Turkish language [4, p. 1824]. Martinez states that Brazilian EMI system is distinctive in its own way and institutions are supposed to select

the growth perspectives independently [5, p. 206]. Sibomana claims in his study that it is prohibited to children to speak in their mother tongue at schools of Kenya [6, p. 38].

Considering research conducted in non-English speaking countries, the question regarding implementation of EMI in Kazakhstan occurred. It can be claimed that the present research can assist in drawing an inference on status of EMI implementation in the educational process of Kazakhstan.

The applied methodological approach is a quantitative analysis of study on students' and lecturers' viewpoints on learning and teaching process in English as a medium of instruction. The study was presented in the form of questionnaire and required participants to rate a given statement according to a specified Likert-type scale. Participants included 38 graduate students and 4 lecturers of the University of International Business in the Republic of Kazakhstan, who completed a digital questionnaire on attitude towards English as a medium of instruction. At the initial stage, participants were divided into two main sections, lecturers and graduate students. Participants were asked to take part in the study by having conversation separately with each of them.

During the research, the positive opinion of teachers towards EMI was revealed, while in some cases, they supported native language lecturing due to English non-proficiency. According to the present study, lecturers hold an opinion that in general EMI is being implemented by proper way in the university, where the study conducted. It can be evidenced with engaging high qualitative teachers and with special tests for students, who showed the desire to study in English. Despite that, several teachers concluded that low mastery of students in English language might harm students' involvement in learning process. Other lecturers hold an opinion that they feel inconvenient while lecturing in English, and

lecturing in native languages comes easily rather than in English. Generally, all lecturers, participated in this survey, adhere to positive viewpoint in spread of EMI.

The study conducted within group of students also demonstrated positive attitude. Despite the fact that all students are able to sufficiently comprehend the information via English language, 28.95 % of students agree, and 10.53 % of students strongly agree that lectures in native (Kazakh) and Russian languages can promote their interest in learning more than lectures in English. There are 13.16 % of students, who adhere to viewpoint that English language may facilitate their interests in learning process more than native languages. Several questions were given to reveal the attitude of students on English as a medium of instruction assisting in obtainment of successful career after university. More than half part of students agree with this statement (52.63 %), while several students adhere to the opposite viewpoint (15.79 %). Questions, aimed at demonstrating the point of view among students towards importance of subject taught in English, demonstrated that there are 81.58 % of students, who uphold the statement on giving more importance to subjects, taught in English, while the opposite notion is endorsed by 7.89 % of students. In general, the presented findings guided the implementation of the further part of research on comparison of learning process in English as a medium of instruction in Kazakhstan with other non-English speaking countries.

Based on results revealed in this research, it can be stated that EMI is at initial stage of its implementation. It is concluded that Kazakhstan is in need of several stages on EMI implementation. At first, high qualitative teachers should be prepared. According to the findings of this research, majority of students hold an opinion that some lecturers cannot hold the lecture in English due to insufficient English level.



Secondly, English communicative skills of both, lecturers and students should be improved continually. This stage may include Content and Language Integrated Learning (CLIL) to set a goal on English proficiency improvement of all participants of education. Despite the fact that Kazakhstan recently started implementation of English as a medium of instruction comparing with other countries, one of the main perspective aims of this program is achievement of increasing number of competitive universities of the world level with high qualitative knowledge. Increased competitiveness of higher education institutions assisted to achieve main aims of internationalization and globalization of the country. However, in the process of implementation of English as a medium of instruction the obstacles are faced. In general, these obstacles are related to English proficiency of students and lecturers.

Compared to other countries, Kazakhstan has a number of similar issues in the implementation of English medium instruction, which creates the possibility of conducting a practice based on the experience of others. The research on English as a medium of instruction has revealed that EMI in Kazakhstan is in need of further guidance and investigation. The initial step is introducing courses of English proficiency among students and lecturers, which is a basis leading to effective usage of EMI. Further, the research paper has shown that in comparison with other countries, English as a medium of instruction in Kazakhstan does not harm the native language and culture. In general, the small-scale study demonstrated that issues that EMI in Kazakhstan faces are alike to the process of development of English as a medium of instruction in some other non-Anglophone countries. Hence, there is an opportunity in Kazakhstan to learn from the experiences of others in the world, who have already achieved success in the implementation of English as a medium of instruction in the educational process.

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TAX POLICY OF KAZAKHSTAN IN THE CONDITIONS OF MODERNIZATION

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Abstract: in this article the description of modernization of a tax system of Kazakhstan in the conditions of development of world economy and the international tax systems, influence of a tax system, on development of the real sector of economy and on the solution of social and economic tasks and also the principles of effective functioning of the mechanism of tax policy and factors of stability of internal revenue service reveals.

Key words: tax system, tax policy, World Bank, competitiveness, modernization.

The international projects for formation of the steady, effectively functioning tax system contributing to the economic development and improving competitiveness.

The tax system is one of the major economic regulators, a basis of the financial and credit mechanism of state regulation of economy. It is obvious that success of economic reforming in Kazakhstan to a large extent depends on in what directions transformation of a tax system of the country how tax policy of the state will meet the requirements of time will go.

In the republic much attention is paid to a tax system which was developed in the early nineties and included more than 48 taxes and fees. In particular, the next main periods of development of a national tax system in which significant changes were made to structure of taxes, tax rates and an order of their collection are allocated: 1992-1994, 1994-1998, 1998-2009

and since 2009. [1].

It should be noted that researches on the theory and practice of functioning of a tax system are conducted in Kazakhstan from the first days of acquisition of independence of Kazakhstan. The main researches of domestic scientists and practitioners began after the first years of the tax reforms which affected the Republic of Kazakhstan after finding of independence and concerned strategy and tactics of formation of a domestic tax system in the conditions of sovereignty. M. Ospanov's works were one of the early basic researches which touched a taxation subject. In particular, in 1994 there was its monograph devoted to methodological and conceptual bases of development of a tax system of Kazakhstan [2, page 19-40].

Influence of a financial system, including tax, on development of the real sector of economy and on the solution of social and economic problems of the state is investigated and studied in various aspects in works of professor A.B. Zeynelgabdin [3]. He notes that the analysis of functioning of a tax system of a number of the states allows to mark out in it some characteristic features. First, various priorities of tax policy are very mobile and depend both on an economic environment, and on arrangement of political forces in the republic. Secondly, though tax policy is also the leading link of the economic mechanism, it functions in the system of financial and credit instruments of regulation of economy. Thirdly, tax policy has contradictory character: the more actively the state seeks to interfere by



means of taxes with spontaneous distributive process, the more persistently it is counteracted by social forces which carriers are both economic entities and the population, and political opposition. All these factors have to be considered at improvement of the tax mechanism.

In A.A. Nurumov's works development of tax policy as the guarantor of social security of the least wealthy parts of the population is investigated. The main tax tools have to become the tax on compensation financing network of programs of social support, and the system of tax benefits on income tax from natural persons [4].

Zh.M. Elubayeva writes that at tax planning and forecasting not only fiscal tasks are implemented, but also the foundation of optimization of tactics and the strategy of tax regulation and stimulation of development of the most effective productions and the industries are laid. Tax planning and forecasting should be considered as one of basic elements of financial management – a method of management of social and economic development of the country. As a part of nation-wide financial management one of the main positions are taken by tax management [5].

Among the works deserving the attention we will note works as S. Intykbayeva [6, page 7779], Z. Kakimzhanova [7, page 11-17], F. Seydakhmetova [8, with. 116-135], A. Khudyakov and G. Brodsky [9, page 58-60]. From theoretical developments of domestic scientists of the last time it should be noted recommendations and proposals of A. Esentugelov suggesting to lower a rate of the corporate income tax (CIT) for the enterprises of the processing sector of the industry from present 30% to 20-22% [10]. In general, it is possible to note that the purpose of functioning of tax policy are development and implementation of measures for modernization of a tax system by achievement of the evidence-based compromise between the economic interests of various subjects of tax policy providing the most effective solution of set

of problems of social and economic development of the country (figure 1) in the existing conditions.

Definition of a system of the principles according to which development and evolution both all mechanism in general, and its separate elements and also functioning of this mechanism have to be carried out is important for ensuring effective functioning of the mechanism of tax policy: principle of scientific validity; principle of equality and justice, systemacity, publicity, efficiency of functioning, etc.

According to the Message of the Head of state the people of Kazakhstan of February 6, 2008 "Increase in welfare of citizens of Kazakhstan – a main goal of state policy" for creation of a competitive tax system which will allow to enhance competitiveness of the country upgrade and diversification of economy, ensuring sustained economic growth, stimulation of competitiveness of business, a business exit from "shadow" and further improvement of tax administration the main directions of tax policy were become [11]:

- creation of a competitive tax system which will allow to enhance competitiveness of the country;
- reduction of a tax system in compliance with problems of a new stage of development of Kazakhstan which should promote upgrade and diversification of economy;
- optimization of privileges and respectively decrease in tax burden of the non-oil sector of economy, reduction of taxation of legal entities in compliance with the international standards;
- reduction of a value added tax in compliance with the best world practice; unification of rates of excises for import and
 - on domestic production;
- reforming of a system of taxation of subsoil users;
- simplification of procedures of administration, improvement of quality of tax services and transparency of tax procedures, reduction of number of tax reports, streamlining of tax audits.

The solution of the above-stated tasks of improvement of the tax law should have an impact on creation of favorable investment climate, stimulation of development of business in the non-oil sector of economy in the conditions of gain of the international competition and existence of a free overflow of the capital between the countries, competition development, increase in GDP, revenues of the budget and growth of economic activity of the population.

The above-stated measures provided in the Tax Code are directed to creation of favorable investment climate, stimulation of business in the non-oil sector of economy in the conditions of gain of the international competition and existence of a free overflow of the capital between the countries, development of the competition and growth of economic activity of the population.

Along with a generally established order, the Kazakhstan system of taxation of income of small and medium business is presented also in the form of the simplified system which means the special tax modes for subjects of small business. The Tax Code provided enough tax benefits for stimulation and development of business in general.

Thus, need of reforming of the tax law was dictated by also developed economic situation owing to influence of a global economic and financial crisis. Now we observe how many countries of one of crisis response measures selected reduction in taxes. Kazakhstan in this plan worked on advancing, having provided considerable decrease in tax burden within the new Tax Code.

In general, constantly carried out work on improvement of the tax law of Kazakhstan promotes stimulation of economic activity, attraction of investments and is important in the Program of stabilization of economy of Kazakhstan in the conditions of a world economic and financial crisis.

Long-term strategy Kazakhstan-2050 and

the industrial and innovation policy open new opportunities for stabilization and economic growth of economy, diversification of production and overcoming its raw orientation at technological updating, improvement of quality of goods and services, gain of their competitiveness in the world markets, etc. One of the directions of fiscal policy the Head of state in the Message to the people of Kazakhstan "Strategy Kazakhstan-2050: the new political policy of the taken place state" noted need of further improvement of the tax law and practice of tax administration [12].

Recently in Kazakhstan a lot of work for convenience of taxpayers is carried out. So, together with Service centers of the population within implementation of the program of the electronic government the service in issue of the help about lack of tax debt is provided to taxpayers. The automated service in online registration as the individual entrepreneur and issue of the patent is everywhere implemented [13, 14].

In recent years in the field of administration of tax revenues in Kazakhstan considerable work is carried out:

Since 2012 the tax administration of Kazakhstan is the full member of the Intra-European organization of cooperation of tax administrations (IOTA). Kazakhstan is a member of the Global forum of the Organization for Economic Cooperation and Development (OECD) on transparency and information exchange in the tax purposes. Since 2011 the Project on reforming of a system of tax administration jointly with the World Bank is implemented. A main objective of the Project – forming of the steady, effectively functioning tax system contributing to the economic development and improving competitiveness of economy of the Republic of Kazakhstan.

According to this document, improvement of tax administration assumes holding the following events:



- introduction of general declaring of income of citizens of RK;
- implementation of electronic audit;
- risk management system implementation;
- review of a system of appeals;
- creation of modern Call center and data processing centers;
- upgrade of excises;
- business processes reengineering;
- review of structure of tax authorities, etc.

Today Kazakhstan takes the 18th place in the rating of the countries of "Doing Business" on the Taxation indicator. It is connected with success of reforms in the RK tax system. In the republic the quantity of taxes to 13, and collecting and payments to 17 was reduced. The most important today – taxes in the republic provide 95.2% of income of the state budget and also – 99% of receipt of funds in National fund of the Republic of Kazakhstan. In the republic tax burden by decrease in a rate of corporate income tax from 30% to 20% and also – on a value added tax from 13% to 12% is considerably reduced.

However, as practice shows, there are separate problems on tax administration, testimonial of shortcomings of its mechanism:

- the underestimated planning of tax revenues and the increase in an account part of the budget leading to growth of budget deficit;
- the uneven receipt in the budget of corporate income tax connected with practice of use of the advance mechanism of payment;
- considerable exceeding of VAT refund from the budget;
- the low level of collecting in the budget of the taxes which are additionally accrued by tax authorities.

So, for January 1, 2013 the shortage on taxes and other obligatory payments made 224.2 billion tenges that in comparison with 2010 increased almost by 2.2 times [14].

As shows experience of the developed

states, tax administration should be based also on implementation of the principle of efficiency of creation of a tax system, namely ensuring the maximum receipt of taxes and fees in the budget at the minimum expenses of collection and tax control. Minimization of administrative expenses on taxation and observance of the tax law, including on the maintenance of the tax device should be one of indicators of efficiency of tax administration.

One of the most important factors of stability of internal revenue service is maintenance of optimum balance of taxation. For this purpose the maximum use of possible reserves is necessary, in particular. It is reached, first, by adequate planning of tax revenues proceeding from actual volumes of receipts from different economic entities, secondly, regular monitoring and correction of indicators.

Summing up the result, calculations show that almost maximum level of tax withdrawals in the budget is so far reached. Therefore the further growth of tax income in the basic is possible due to change of structure of taxes and providing on this basis of dependence of their growth on GDP growth. The group of the countries adhering to policy of liberalization, with rather small indicators of tax burden within 30-40% (the USA, Japan, Canada, Great Britain, Spain, etc.), correlated to indicators of tax burden in our country [15] is distinguished from the developed countries. However at rather comparable indicators of tax burden our country significantly lags behind on average per capita indicators of income of the population. In this regard for complex studying of structure of cumulative tax burden of economy it is necessary to study in the most thorough way factors, the reasons and specifics of formation of this indicator in branch, structural and territorial aspects and also taking into account specific factors of social and economic development of the country. ■

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KZCASH IS INNOVATIVE NETWORK OF PAYMENTS

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Abstract: The article describes a new type of digital money tool – cryptocurrency KZCash. The advantages and functioning of this payment instrument are considered.

Key words: blockchain, miner, mining, masternode, ASIC, kzcash.

Digitalization and development of information technologies. The priority direction in Kazakhstan is the development of the digital economy, which is inextricably linked with the widespread introduction of blockchain technology.

In October 2017, a citizen of Kazakhstan gathered the best developers and created a digital asset KZCash (KZC). It's not just a cryptocurrency, it's an innovative payment network. The KZCash project is one of the first, I would even say the only project of regional scale. The use of a proven hashing algorithm X11 with 11 types of encryption provides the highest level of reliability, hybrid mining allows you to combine high transaction processing speed and low commission cost.



Figure 1. KZcash logo.

The project is engaged in the implementation and use of payment systems for small and medium-sized businesses based on the KZCash blockchain, especially for payment services.

According to the President's vision, tourism is one of the most promising sectors of development in Kazakhstan. In this regard, KZCash also plans to develop in this direction. It is planned to provide payment services to hotels, restaurants and other organizations focused on tourism so that the use of KZ Cash was widespread and as convenient as possible for the guests of our Kazakhstan. The research program of the KZCash organization will, among other things, analyze the tourist flow to Kazakhstan from other countries, look for opportunities to provide KZCash service in these countries. It should be noted that geographically Kazakhstan is located in the center of the mainland Eurasia, through it passes the "Great silk road".

All the advantages of the above gives undeniable advantages and grounds for confidence in the rapid development of the project as a convenient and reliable digital asset.

Decentralized Autonomous Organization (DAO). Cryptocurrencies are decentralized. On the one hand, it's wonderful: no one dictates the terms, does not control your money, does not profit. But how to solve the problem with the development of the network and its further improvement? Who will Finance this?

The KZCash network is designed so that 10% of the reward for the block (new coins) are postponed by the system and go to the

development of the Organization (network). About once a month the network is voting – where to spend the money. Everyone can offer an idea.

The owners of the master node are most interested in the prosperity of the KZCash network because each of them is obliged to store 1000 KZC on the account. Therefore, these users are allowed to vote. And if they make decisions to the detriment of the network, they will be the first to suffer. Thus, the management of the Organization does not need to go into the pocket, look for sponsors or come up with different "pumps". The system itself will give money for development. KZCash is a decentralized network that develops and does not depend on anyone.

What are Masternodes? Master node — the nodes in the network cryptocurrency KZCash, which are responsible for the review and approval of transactions. The list of responsibilities also includes improving the speed and safety of users.

Masternodes are servers or computers with a static IP address. The mandatory conditions for work include a running wallet, full synchronization with the blockchain and around the clock activity.

How do Masternodes work? In theory, the process resembles mining — master node adds a new block to the blockchain and receives a reward.

- In the Master of knives, luck does not play a role. The network rewards nodes that have not received payment longer than others.

- The need for more modern equipment disappears. With the launch of the Masternode cope average computer.

Perspectives of Master nodes. Masternodes KZCash — a new version of earnings. The principle of operation of the Masternode resembles a Bank Deposit. We keep the money and take interest. The owner of the Master node receives 45% of the reward from each new generated block in the network in the order of the queue of all Masternodes. Profitability and ROI are available on the monitoring page:

In comparison with classical mining, the potential is great. At the same time, over the years the Master does not need to spend money on the purchase and configuration of video cards or ASIC-devices, as well as rent large areas for equipment placement. The annual yield of the Master node of the KZCash network is currently much higher than that of the Bank Deposit.

Security. Kzcash network security is provided by hybrid calculations (mining) "Proof of Work" and "Proof of Stake". For "Proof of Work" is used by the X11 chained hashing algorithm. X11 is known as a chain hashing algorithm because they use 11 different algorithms that are chained together. These algorithms are blake, bmw, groestl, jh, keccak, skein, luffa, cubehash, shavite, simd and echo. The algorithm is suitable for both CPU and GPU mining.

KZC MASTERNODE STATS

based on actual data over the past 24 hours

ROI (annual):	111.33% / 328 days
Paid rewards for masternodes:	1,134.6063 KZC
AVG masternode reward frequency:	16h 26m 31s
Active masternodes:	372 - status overview
Supply:	3,138,014 KZC
Coins locked:	372,000 KZC (11.85%)
Required coins for masternode:	1,000 KZC
Masternode worth:	\$38.94 / 0.01010 BTC

Figure 2. masternodes monitoring page.



Figure 3. ASIC device for mining cryptocurrency

The use of 11 different algorithms increases the security of coins from network attacks with a hacking attempt. Network attacks on coins like Bitcoin that use other algorithms are not currently possible, but could very well be possible in the foreseeable future.

Another additional advantage of this algorithm compared to SHA256 and Scrypt is the fact that it is less intensive and consumes less electricity. Computers running on other algorithms tend to overheat and consume more power. For example, GPUs running on the Scrypt algorithm generate 30% more heat than the same processors running on the X11 algorithm. This excess heat reduces the life cycle of the equipment as well as overall efficiency.

The “Proof of Stake” method provides additional network security. It eliminates the risk of mining centralization. Investors who keep coins in their nodes participate in

the mining of coins and earn on it.

The combination of these two methods to distribute a voice for the development of a network between manners (45%), holders of the Nodes (45%) and the management of the Organization KZ Cash.

Advantages Of KZCash. The main disadvantage of cryptocurrencies is the time of transaction confirmation. That is the time in which one person finally and irrevocably transfers money to another.

For example, you want to pay a bar bill, but you only have bitcoins with you. You send the payment to a single network and wait until it is confirmed. Either you overpay the commission, or will be a very long time to wait for processing, sometimes more than a day.

KZCash has such a problem simply does not exist. But there is a function InstantSend. If you want to send money instantly – just specify it in the payment.

Then miners will redirect your transaction to masternodes, who will check it and block the required amount. All in all – less than five seconds. It is even faster than the processing of payment by credit card. After that, the masternodes send back the confirmed transactions to the miners, and they are forever recorded in the blockchain. It turns out a safe and fast division of labor between miners and masternodes.

PrivateSend technology makes your money anonymous. Without superfluous questions. Without third parties. intervals of time your wallet KZCash masternode automatically sends the requests to the media mix. Those, in turn, find similar in size requests for anonymization from other wallets. Then it's simple: the amount on the account of each user is divided into the same parts – 100, 10, 1 or 0.1 KZCash – and they are rearranged. Similarly, as if you have exchanged in the Bank one hundred dollar bill for another.

If you want to increase anonymity, even more, you can set up to eight mixing cycles. And each of them passes with random people and new masternodes – so it will be impossible to declassify you.

The entire KZCash network is secure and incredibly reliable. This is responsible for the most incorruptible thing in the world – mathematics, namely the encryption algorithm X11. ■

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