

**On approval of the Rules for financing by the operator of extended obligations of producers (importers) of an organization, fifty or more percent of voting shares (stakes in the authorized capital) of which are directly or indirectly owned by the state and (or) the national managing holding, for further financing of projects in the manufacturing industry aimed at improving the state of the environment**

***Unofficial translation***

Resolution of the Government of the Republic of Kazakhstan dated September 2, 2021 No. 604.

      Unofficial translation

      In accordance with subparagraph 15) of paragraph 1 of Article 388 of the Environmental Code of the Republic of Kazakhstan dated January 2, 2021, the Government of the Republic of Kazakhstan **HEREBY RESOLVES:**

      1. To approve the attached Rules for financing by the operator of extended obligations of producers (importers) of an organization fifty or more percent of voting shares (stakes in the authorized capital) of which are directly or indirectly owned by the state and (or) the national managing holding, for further financing of projects in the manufacturing industry, aimed at improving the state of the environment.

      2. This Resolution shall enter into force upon expiry of ten calendar days after the day of its first official publication.

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*Prime-Minister of the* *Republic of Kazakhstan*
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*A. Mamin*
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|   | Approved by the Resolution of the Government of the Republic of Kazakhstan dated September 2, 2021 №604 |

 **The Rules for financing by the operator of extended obligations of manufacturers (importers) of an organization, fifty or more percent of voting shares (stakes in the authorized capital) of which directly or indirectly owned by the state and (or) the national management holding, for further financing of projects in the manufacturing industry aimed at improving the state environment**

      Footnote. Rules – as amended by the Decree of the Government of the Republic of Kazakhstan dated 07.03.2024 №156 (shall come into effect upon the expiration of ten calendar days after the day of its first official publication).

      Chapter 1. General Provisions

      1. These Rules for financing by the operator of extended obligations of manufacturers (importers) of an organization, fifty or more percent of voting shares (stakes in the authorized capital) of which directly or indirectly owned by the state and (or) the national management holding, for further financing of projects in the manufacturing industry aimed at improving the state environment (hereinafter referred to as the Rules), shall determine the procedure and conditions for the operator to finance extended obligations of manufacturers (importers) of an organization, fifty or more percent of the voting shares (stakes in the authorized capital) of which directly or indirectly belong to the state and (or) the national manager holding for further financing of projects in the manufacturing industry aimed at improving the environment.

      2. These Rules shall use the following basic concepts:

      1) loan agreement - an agreement under which the operator shall undertake to transfer to the ownership of the organization a certain amount of funds to finance projects in the manufacturing industry, and the organization shall undertake to promptly return the funds to the operator, taking into account the terms of these Rules;

      2) authorized body in the field of environmental protection - the central executive body exercising leadership and intersectoral coordination in the field of environmental protection;

      3) operator of extended obligations of manufacturers (importers) (hereinafter referred to as the Operator) – a legal entity determined by the Government of the Republic of Kazakhstan that organizes the collection, transportation, processing, neutralization, use and (or) disposal of waste generated after the loss of consumer properties of products (goods), which is (are) subject to extended obligations of manufacturers (importers) and its (their) packaging;

      4) the authorized body in the field of state stimulation of industry (hereinafter referred to as the Authorized body) - the central executive body exercising management in the field of industry, as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination and participation in the implementation of state stimulation of industry;

      5) project in the manufacturing industry - a project in the manufacturing industry, aimed at improving the environment, on:

      renewal of vehicles, self-propelled agricultural machinery by stimulating consumer demand in the Republic of Kazakhstan;

      realization of breakthrough, technological and innovative solutions;

      construction of plants (productions) for preparation for reuse, treatment, processing, sorting and subsequent recycling and (or) disposal of waste, improvement of material and technical base of organizations engaged in collection, transportation, preparation for reuse, sorting, treatment, recycling and (or) disposal of waste, organization of energy waste disposal;

      acquisition of machinery (including fire transport, small forest fire fighting complex, tractor) and (or) equipment of domestic and (or) foreign production, meeting environmental requirements defined by technical regulations, for the organization of forest fire prevention and extinguishing by forest institutions and environmental organizations;

      acquisition of machinery and (or) equipment of domestic and (or) foreign production, meeting the environmental requirements defined by technical regulations, for harvesting, processing of timber and other forest products during clear-cutting by logging organizations, forest institutions and environmental organizations;

      6) organization – “Industrial Development Fund” joint stock company, created in accordance with the Decree of the Government of the Republic of Kazakhstan dated August 18, 2020 №521 “On the creation of the Industrial Development Fund” to provide affordable financing for breakthrough manufacturing projects on the terms specified in the documents of the State Planning System;

      7) technical regulations – concerning vehicles – technical regulations of the Customs Union “On the safety of wheeled vehicles” (TR CU 018/2011), approved by decision of the Customs Union Commission of December 9, 2011 №877, concerning self-propelled agricultural machinery – technical regulations Customs Union “On the safety of machinery and equipment” (TR CU 010/2011), approved by decision of the Customs Union Commission dated October 18, 2011 №823, or technical regulations of the Customs Union “On the safety of agricultural and forestry tractors and trailers for them” (TR CU 031/2012), approved by decision of the Council of the Eurasian Economic Commission dated July 20, 2012 №60;

      8) leasing company – a legal entity carrying out financial leasing in accordance with the requirements of the Law of the Republic of Kazakhstan “On Financial Leasing”;

      9) self-propelled agricultural machinery - a technical tool designed to increase labour productivity in agriculture through mechanization and automation of individual operations or technological processes, independently driven by an internal combustion engine with a displacement of over 50 cubic centimeters or an electric motor(s) of maximum (total) power of more than 4 kW.

      Footnote. Paragraph 2 as amended by the resolution of the Government of the RK dated 15.07.2024 № 558 (shall enter into force upon the date of its first official publication).

      3. Projects in the manufacturing industry, financed by the operator, are selected in accordance with these Rules and internal regulations of the organization, while aimed at updating vehicles, and self-propelled agricultural machinery by stimulating consumer demand in the Republic of Kazakhstan, on the following conditions:

      1) final amount of financing by the operator:

      in 2022, projects in the manufacturing industry related to updating vehicles by stimulating consumer demand in the Republic of Kazakhstan for new domestically produced passenger vehicles amounts to 100000000000 (one hundred billion) tenge, for domestically produced buses - 30000000000 (thirty billion) tenge and for self-propelled agricultural domestically produced machinery – 30000000000 (thirty billion) tenge;

      in 2023, projects in the manufacturing industry related to updating machinery by stimulating consumer demand in the Republic of Kazakhstan for self-propelled agricultural machinery of domestic production - 20000000000 (twenty billion) tenge;

      2) the organization shall borrow from the operator on the following basic terms:

      100000000000 (one hundred billion) tenge at an interest rate of 0.1% in a lump sum payment for the entire term of the loan, with a loan term of 30 years, designated purpose: for further financing of projects in the manufacturing industry aimed at improving the environment by stimulating consumer demand and renewal of vehicles in the Republic of Kazakhstan, within the framework of conditional financing of second-tier banks (hereinafter referred to as the borrowers) to finance individuals - buyers of domestically produced passenger cars, as the final borrowers repay their obligations to the borrowers, the repaid funds are sent by the organization for further financing of projects in the manufacturing industry aimed at improving the environment by stimulating consumer demand and renewal of vehicles in the Republic of Kazakhstan, under the conditional financing of lessees purchasing in accordance with the terms of subparagraph 3(9) of these Rules:

      domestically produced buses of environmental class according to technical regulations from vehicle manufacturers who have concluded an agreement on industrial assembly of vehicles;

      domestically produced trolleybuses according to technical regulations from vehicle manufacturers that have concluded an agreement on industrial assembly of vehicles;

      domestically produced streetcars from vehicle manufacturers that shall have concluded an agreement on industrial assembly of vehicles;

      30000000000 (thirty billion) tenge at an interest rate of 0.01% in a lump sum for the entire loan term, with a loan term of 30 years, designated purpose: for further financing of projects in the manufacturing industry aimed at improving the environment by stimulating consumer demand and renewal of vehicles in the Republic of Kazakhstan, within the framework of conditional financing of social and business corporations (hereinafter referred to as the SBC) under local executive bodies and (or) carriers (hereinafter collectively referred to as lessees of buses), purchasing domestically produced buses of environmental class according to technical regulations from vehicle manufacturers that have entered into an agreement on industrial assembly of vehicles, and then providing them for joint management to legal entities and individual entrepreneurs operating in the field of passenger transportation;

      30000000000 (thirty billion) tenge at the interest rate of 0.1% in a lump sum for the entire term of the loan, with a loan term of 15 years, designated purpose: for further financing of projects in the manufacturing industry aimed at improving the environment by stimulating consumer demand and renewal of self-propelled agricultural machinery in the Republic of Kazakhstan, within the framework of conditional financing of leasing companies for financing of entities of the agro-industrial complex, purchasing in financial leasing new domestically produced machinery that meets environmental requirements defined by technical regulations of domestic manufacturers who have entered into an agreement on industrial assembly of agricultural machinery (hereinafter - lessees of machinery);

      20000000000 (twenty billion) tenge at the interest rate of 0.1% in a lump sum for the whole term of the loan, with the loan term of 15 years, designated purpose: for further financing of projects in the manufacturing industry aimed at improving the environment by stimulating consumer demand and renewal of self-propelled agricultural machinery in the Republic of Kazakhstan, within the framework of conditional financing of leasing companies for financing lessees of machinery;

      repayment of the principal debt - at the end of the term with the right of early repayment at the initiative of the organization;

      borrowing shall be carried out by the organization from the operator without providing collateral;

      3) the organization shall enter into loan agreements with borrowers on the following basic conditions:

      interest rate – no more than 1.0% per annum;

      loan term – until July 31, 2030;

      payment of interest on the loan - once a year;

      the period for borrowers to disburse loan funds is up to 18 months from the date of conclusion of the loan agreement/additional agreement to the loan agreement between the organization and the borrower to increase the loan amount;

      loan currency – tenge;

      repayment of the principal debt - at the end of the term with the right of partial or full early repayment;

      within the framework of the loan agreement, funds shall be used to finance individuals - buyers of domestically produced passenger vehicles, while borrowers are prohibited from using allocated funds to invest in foreign currency or other instruments that do not correspond to the designated purpose of the loan;

      other terms of the loan agreement shall be established in accordance with the requirements of the organization and (or) by agreement of the parties;

      4) financing limit for each domestic manufacturer of passenger cars shall be determined by the decision of the commission consisting of representatives of industrial enterprises participating in financing within the framework of these Rules, approved by the Committee of Industry of the authorized body, and approved by the board of the organization.

      Financing of lessees, including buses, streetcars, trolleybuses and machinery, shall be made by the organization and leasing companies as lessees' applications shall be received without distribution of financing limit for each domestic manufacturer of buses, streetcars, trolleybuses and self-propelled agricultural machinery.

      The list of domestic manufacturers of buses, streetcars, trolleybuses, machinery and self-propelled agricultural machinery participating in financing under these Rules shall be provided to the organization by the relevant department of the authorized body;

      5) in cases of misuse and (or) untimely use of allocated funds, and (or) untimely return to the organization of funds repaid by the final borrowers, as well as the occurrence of cases provided for in the loan agreement between the organization and the borrower, the organization shall have the right to terminate the relevant loan agreement early and withdraw placed funds for which the above violations were identified;

      6) in the event of early repayment by the borrower of the loan, the reuse of these funds shall be carried out based on decisions of the authorized bodies of the organization;

      7) basic conditions for financing final borrowers purchasing domestically produced cars:

      target group - individuals - buyers of domestically produced passenger vehicles of environmental class in accordance with technical regulations;

      the loan shall be provided to final borrowers on the terms of intended use, payment, urgency, repayment and security, including:

      the amount of financing for 1 unit of passenger vehicles is no more than 10000000 (ten million) tenge when the cost of the passenger vehicle is not more than 15000000 (fifteen million) tenge;

      financing per final borrower shall be provided no more than once during two years;

      financing period – no more than 7 years;

      down payment – from 0%;

      currency – tenge;

      the nominal interest rate for the final borrower shall not exceed 4.0% per annum. Herein, the annual effective interest rate for the final borrower, determined in accordance with the requirements of the National Bank of the Republic of Kazakhstan, shall not exceed 7.5% per annum, taking into account the costs of the final borrower for insurance and registration of vehicles (including as collateral). The requirements of the National Bank of the Republic of Kazakhstan shall be provided for in the Rules for calculating interest rates in reliable, annual, effective, comparable calculation (real value) for loans and deposits, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan dated March 26, 2012 №137, as well as the Rules for calculating annual effective interest rates on microloans provided, approved by Resolution of the Board of the National Bank of the Republic of Kazakhstan dated November 26, 2019 №208;

      final borrowers shall pay the costs of insurance and registration of domestically produced passenger vehicles as collateral;

      8) the organization shall enter into financial leasing agreements with lessees of buses purchasing domestically produced buses on the following basic conditions:

      leasing term – up to 7 years;

      interest rate for the lessee of bus – 0.01% in a lump sum payment for the entire leasing term;

      initial payment (advance payment) for leasing – from 0% of the cost of the leased asset;

      additional expenses (insurance, service and maintenance of the leased item) - at the expense of the lessee of bus;

      within the framework of agreements on joint activities, the lessee of the joint venture company shall not have the right to increase the carrier’s expenses associated with the payment of remuneration and other commissions for the use of the leased asset;

      financing of lessees of buses shall be of a revolving nature, payments from the repayment of the existing lease shall be again sent to conclude new financial leasing agreements with lessees of buses;

      financing conditions shall not be available to carriers (including those carrying out joint activities with SBC) that operate in cities of republican significance and (or) regional centers of the Republic of Kazakhstan, and in the absence of carriers’ applications approved by the organization for financing (including those carrying out joint activities with SBC) after one year from the date of their receipt from the operator or the date of their return on the revolving principle, the organization shall have the right to finance carriers (including those carrying out joint activities with SBC) carrying out transportation in the regional centers of the Republic of Kazakhstan;

      when financing carriers that are not SBC, the mandatory requirements of the organization shall be the provision of a guarantee of full joint liability for this carrier on the part of the SBC for the obligations of the carrier and (or) financing it within the framework of a public-private partnership, and (or) sufficiency of security for the obligations of this carrier in accordance with the internal acts of the organization;

      the organization shall have the right to advance domestic bus manufacturers at the expense of funds raised from the operator before concluding a financial leasing agreement with the lessees of buses;

      other terms of the financial leasing agreement are established in accordance with the requirements of the organization and (or) by agreement of the parties;

      9) the organization shall conclude financial leasing agreements with lessees purchasing buses, streetcars, trolleybuses of domestic production on the following basic conditions:

      leasing term - up to 7 years;

      interest rate - 7,0 % per annum, thus the specified amount of interest rate shall be established at the expense of mixing the operator's funds with other funds of the organization in proportion 80/20;

      initial payment (advance payment) on leasing - from 15 % of the leasing subject cost, thus on the models of buses, streetcars, trolleybuses, produced by the method, including operations on welding and painting, the advance payment makes not less than 5%;

      the organization considers applications from lessees for buses, streetcars, trolleybuses produced with technological operations on welding and painting of the body in priority;

      the organization shall have the right to advance domestic manufacturers of buses, streetcars, trolleybuses at the expense of funds attracted from the operator before concluding a financial leasing agreement with lessees;

      other terms and conditions of the financial leasing agreement shall be established in accordance with the requirements of the organization and (or) by agreement of the parties;

      10) the organization shall enter into loan agreements with leasing companies on the following basic conditions:

      interest rate – no more than 0.35% per annum;

      loan term – up to 15 years;

      payment of interest on the loan – once a year;

      the period for disbursement of loan funds by leasing companies – up to 18 months from the date of conclusion of the loan agreement/additional agreement to the loan agreement between the organization and the leasing company to increase the loan amount;

      loan currency – tenge;

      repayment of the principal debt – at the end of the term with the right of partial or full early repayment;

      within the framework of the loan agreement, funds are used to finance lessees of machinery, while leasing companies shall be prohibited from using allocated funds to invest in foreign currency or other instruments that do not correspond to the designated purpose of the loan;

      in cases of misuse and (or) untimely use of allocated funds, as well as the occurrence of cases provided for in the loan agreement between the organization and the leasing company, the organization shall have the right to terminate the relevant loan agreement early and recall the allocated funds for which the above violations were identified;

      other terms of the loan agreement are established in accordance with the requirements of the organization and (or) by agreement of the parties;

      11) the leasing company shall enter into financial leasing agreements with lessees of machinery purchasing self-propelled agricultural machinery of domestic production, on the following basic conditions:

      leasing term – up to 10 years;

      interest rate – 6.0% per annum. The interest rate of 6.0% per annum is established by mixing the organization’s funds with other funds of leasing companies in a ratio of 80/20. To maintain the interest rate of 6.0% per annum for revolving financing, leasing companies are allowed to change the proportion of mixing funds;

      initial payment (advance payment) for leasing – from 0% of the cost of the leased asset;

      repayment of the principal debt – once a year;

      additional expenses (insurance, service and maintenance of the leased asset) - at the expense of the lessee of the machinery;

      financing of lessees of machinery shall be revolving (within the amount of the loan raised from the organization), payments from the repayment of the existing lease shall be again sent to conclude new financial leasing agreements with lessees of machinery;

      the amount of financing per lessee of machinery shall be no more than 205,000,000 (two hundred five million) tenge and no more than three units of self-propelled agricultural machinery, financing per lessee of machinery shall be provided no more than once during two years. If the total cost of the leased items exceeds the amount of financing established by the Rules for one lessee of the machinery, the latter shall have the right to pay the difference in the form of a down payment (advance) to the lessor;

      other terms of the financial leasing agreement shall be established in accordance with the requirements of the leasing company and (or) by agreement of the parties.

      Footnote. Paragraph 3 as amended by the resolution of the Government of the RK dated 11.12.2024 № 1051 (shall enter into force from the date of its first official publication).

      4. Projects in the manufacturing industry for the construction of plants (production facilities) for preparation for reuse, processing, sorting, subsequent processing and (or) waste disposal, improvement of the material and technical base of organizations that collect, transport, prepare for reuse, sort, process and (or) waste disposal, organization of energy waste disposal, purchase of machinery (including fire transport, small forest fire complex, tractor) and (or) equipment of domestic and (or) foreign production ((in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry) corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic, in agreement with the authorized body in the field of state stimulation of industry) production corresponding to the environmental requirements defined by the technical regulations, for harvesting, processing of wood and other forest products during clear felling by logging organizations, forestry institutions and environmental organizations, acquisition of domestically produced road maintenance machinery meeting the environmental requirements defined by technical regulations, maintenance of highways of national and international importance by the National Operator for the management of highways, financed at the expense of the operator, shall be selected in accordance with these Rules and internal acts of the organization on the following conditions:

      1) the total amount of funding by the operator:

      in 2024 - 2026, the total amount of funding of projects in the manufacturing industry for the construction of plants (production facilities) for preparation for reuse, processing, sorting, subsequent processing and (or) waste disposal, improvement of the material and technical base of organizations that collect, transport, prepare for reuse, sort, process and (or) waste disposal, organization of energy waste disposal, purchase of machinery (including fire transport, small forest fire complex, tractor) and equipment of domestic and (or) foreign production (in the absence of analogues of domestic, in agreement with the authorized body in the field of state stimulation of industry) that meet environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry) corresponding to the environmental requirements defined by the technical regulations, for harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forestry institutions and environmental organizations – KZT 290000000000 (two hundred ninety billion), including:

      for the purchase of fire machinery (including fire transport, small forest fire complex, tractor) domestic production from manufacturers that shall have entered into a relevant agreement on the industrial assembly of vehicles, and (or) domestic and (or) foreign machinery (in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry) production corresponding to the environmental requirements defined by the technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, maintenance of highways of national and international importance by the National Road Management Operator –307000150000 (three hundred and seven billion one hundred and fifty thousand) tenge;

      for the purchase of domestically produced fire machinery (including fire transport, small forest fire complex, tractor) from manufacturers who have entered into an appropriate agreement on industrial assembly of vehicles on the basis of license rights to manufacture the vehicle from the owner of the trademark and (or) vehicle design or document, confirming the right to own a trademark and (or) vehicle design, and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry), corresponding to the environmental requirements specified in the technical regulations for the organization of forest fire prevention and suppression by forestry institutions and environmental organizations – 35000000000 (thirty-five billion) tenge;

      for the purchase of machinery and (or) equipment of domestic and (or) foreign (in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry) of production corresponding to environmental requirements defined by technical regulations, for harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forestry institutions and environmental organizations –5000000000 (five billion) tenge;

      for the purchase of buses of domestic production of environmental class in accordance with the technical regulations from vehicle manufacturers who entered into an agreement on the industrial assembly of vehicles – 15000000000 (fifteen billion) tenge in 2024, including the use of funds for repayment of liabilities at the expense of which similar projects were financed (substitution) or advances were made to domestic bus manufacturers prior to the conclusion of the financial leasing agreement with the lessees of buses;

      for the purchase of domestically produced machinery corresponding to the environmental requirements defined by the technical regulations, from the manufacturers, who have concluded the relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture the vehicle from the owner of the trademark and (or) vehicle design or a document confirming the right to own the trademark and (or) vehicle design, to update the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan –50000000000 (fifty billion) tenge in 2024;

      for the purchase of domestically produced road maintenance machinery that meets the environmental requirements specified in the technical regulations from manufacturers who have concluded the relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture the vehicle from the owner of the trademark and (or) vehicle design or a document confirming the right of ownership of the trademark and (or) vehicle design, for the maintenance of highways of republican and international importance by the National Operator for highway management - 17000150000 (seventeen billion one hundred and fifty thousand) tenge in 2024, including the use of funds for the repayment of liabilities, at the expense of which similar projects were financed (substitution);

      2) the organization shall borrow from the operator on the following basic conditions:

      for projects in the manufacturing industry for the construction of plants (production facilities) for preparation for reuse, processing, sorting, subsequent processing and (or) waste disposal, improvement of the material and technical base of organizations that collect, transport, prepare for reuse, sort, process, process and (or) waste disposal, organization of energy waste disposal at an interest rate of 0.1% by a lump sum payment for the entire loan term, with a loan term of no more than 15 years;

      for projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers that have entered into a relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture a vehicle from the owner of a trademark and (or) vehicle design or a document confirming the right to own a trademark and (or) vehicle design, and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic production in coordination with the authorized body in the field of state stimulation of industry) corresponding to the environmental requirements defined by the technical regulations in order to organize the prevention of forest fires and their extinguishing by forest institutions and environmental organizations at an interest rate of 0.1% in a lump sum payment for the entire loan period, with a loan period of no more than 7 years;

      for projects in the manufacturing industry for the acquisition of machinery and (or) equipment domestic and (or) foreign production (in the absence of analogues of domestic production, in agreement with the authorized body in the field of state stimulation of industry) corresponding to the environmental requirements defined by the technical regulations for harvesting, processing wood and other forest products when carrying out continuous sanitary felling by logging organizations, forestry institutions and environmental organizations at an interest rate of 0.1% in a lump sum payment for the entire loan period, with a loan term of not more than 7 years;

      for projects in the manufacturing industry to purchase domestically produced road maintenance machinery corresponding to environmental requirements defined by technical regulations from manufacturers who have entered into a relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture a vehicle from the owner of a trademark and (or) vehicle design or document confirming the right to own a trademark and (or) vehicle design, for the maintenance of national and international highways by the National Operator for Highway Management at the interest rate of 0.1% in a lump sum for the entire term of the loan, with a loan period of no more than 7 years;

      projects in the manufacturing industry aimed at improving the state of the environment by stimulating consumer demand and updating vehicles in the Republic of Kazakhstan, within the framework of conditional financing of lessees purchasing environmental class buses from domestic manufacturers, vehicle manufacturers who shall have entered into an industrial vehicle assembly agreement, at an interest rate of 0.01% in a lump sum payment for the entire loan term, with a loan term of 30 years;

      for projects in the manufacturing industry for the purchase of machinery of domestic production of the environmental class from manufacturers of these means, to update the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan at an interest rate of 0.1% in a lump sum payment for the entire loan term, with a loan term of not more than 15 years;

      repayment of the principal debt - once a year, with a grace period for repayment of the principal debt of at least 2 years with the right of early repayment at the initiative of the organization;

      borrowing shall be carried out by the organization from the operator without providing collateral;

      3) the organization shall conclude financial lease/loan agreements with lessees (including lessees of buses)/borrowers on the following basic conditions:

      interest rate - not more than 3% per annum;

      the interest rate for projects in the manufacturing industry for the purchase of domestically produced machinery, corresponding to the environmental requirements defined by the technical regulations, from the manufacturers of the specified means for updating the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan - not more than 9.0% per annum, at the same time, the specified amount of the remuneration rate can be established by mixing the operator's funds with other means of the organization;

      term of lease/loan for projects in the manufacturing industry for the construction of plants (industries) for preparation for reuse, processing, sorting, subsequent processing and (or) disposal of waste, improvement of the material and technical base of organizations engaged in the collection, transportation, preparation for reuse, sorting, processing and (or) disposal of waste, organization of energy disposal of waste - from 3 to 15 years;

      lease term for projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) and (or) machinery and (or) equipment of domestic or foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations - up to 7 years;

      lease term for projects in the manufacturing industry for the acquisition of machinery and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic production), in agreement with the authorized body in the field of state stimulation of industry) corresponding to the environmental requirements defined by the technical regulations, for harvesting, processing wood and other forest products during continuous sanitary felling by logging organizations, forestry institutions and environmental organizations - up to 7 years;

      term of leasing for projects in the manufacturing industry for the purchase of machinery of domestic production of environmental class in accordance with the technical regulations, from the manufacturers of these means for updating the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan - up to 10 years;

      term of leasing for projects in the manufacturing industry to purchase domestically produced road maintenance machinery corresponding to environmental requirements defined by technical regulations from manufacturers who have entered into a relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture a vehicle from the owner of a trademark and (or) vehicle design or document confirming the right to own a trademark and (or) vehicle design, for the maintenance of national and international highways by the National Operator for Highway Management

      - up to 7 years;

      grace period for repayment of principal and interest, with the exception of projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) and (or) equipment of domestic production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing, harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forest institutions and environmental organizations - up to 2 years;

      own participation of the lessee/borrower - at least 20% of the project cost in the manufacturing industry for the construction of plants (production facilities) for preparation for reuse, processing, processing, sorting, subsequent processing and (or) waste disposal, improvement of the material and technical base of organizations that collect, transport, prepare for reuse, sort, process and (or) disposal of waste, organization of energy disposal of waste, of which at least 10% is cash;

      initial payment (advance) on leasing for projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations when paying lease payments at the expense of the republican budget - 0%;

      initial payment (advance) on leasing for projects in the manufacturing industry for the purchase of machinery and (or) equipment of domestic and (or) foreign production (in the absence of analogues of domestic production), in agreement with the authorized body in the field of state stimulation of industry) corresponding to the environmental requirements defined by the technical regulations, for harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forestry institutions and environmental organizations when paying lease payments at the expense of the republican budget - 0%, at the expense of own funds of the environmental organization - at least 20%;

      initial payment (advance payment) on leasing for projects in the manufacturing industry for the purchase of machinery of domestic production corresponding to the environmental requirements defined by the technical regulations, from the manufacturers of these means to update the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan when paying lease payments at the expense of the republican budget - 0%;

      initial payment (advance payment) on leasing for projects in the manufacturing industry to purchase domestically produced road maintenance machinery corresponding to environmental requirements defined by technical regulations from manufacturers who have entered into a relevant agreement on industrial assembly of vehicles on the basis of license rights to manufacture a vehicle from the owner of a trademark and (or) vehicle design or document confirming the right to own a trademark and (or) vehicle design, for the maintenance of national and international highways by the National Operator for Highway Management - 0%;

      collateral - in accordance with the requirements of the organization;

      loan currency -tenge;

      additional expenses (insurance) - in accordance with the internal acts of the organization;

      the basic conditions of financing for lessees of buses shall be similar to those specified in subparagraph 8) of paragraph 3 of these Rules;

      other terms of the financial lease/loan agreement shall be established in accordance with the requirements of the organization and by agreement of the parties.

      Footnote. Paragraph 4 as amended by the resolution of the Government of the RK dated 11.12.2024 № 1051 (shall enter into force from the date of its first official publication).

      5. Control over the intended use of funds allocated for the implementation of projects in the manufacturing industry shall be carried out by the organization in accordance with these Rules.

      6. Control over the intended use of funds received by the organization from the operator in accordance with these Rules shall be carried out by the operator, the authorized body and the authorized body in the field of environmental protection.

      7. If a project in the manufacturing industry, for which the operator previously provided financing, fails to achieve the goals of improving the state of the environment, the amount of allocated funds shall be returned by the organization to the operator in the manner and on the terms determined by the loan agreement.

 **Chapter 2. Financing procedure Paragraph 1. The procedure for financing projects in the manufacturing industry to update vehicles, and self-propelled agricultural machinery by stimulating consumer demand in the Republic of Kazakhstan**

      8. Financing of projects in the manufacturing industry to upgrade vehicles and self-propelled agricultural machinery by stimulating consumer demand in the Republic of Kazakhstan shall be carried out as follows:

      1) the authorized body on an annual basis, by August 31 of the relevant year, shall send the operator a request for the provision of forecast amounts of financing for projects in the manufacturing industry at the expense of the operator (hereinafter referred to as the request) for the corresponding financial year;

      2) the operator, after considering the request within seven working days, shall include the forecast funding volumes in the appropriate section of its investment policy and shall send it for approval to the authorized body in the field of environmental protection;

      3) the authorized body in the field of environmental protection within ten working days after receipt of the investment policy shall approve it or provide a reasoned refusal to the operator.

      If the competent authority in the field of environmental protection sends a reasoned refusal, the operator shall eliminate the reason for the reasoned refusal within three working days and send the investment policy for re-approval to the competent authority in the field of environmental protection;

      4) the operator, if the authorized body in the field of environmental protection approves the amount of financing in the investment policy, shall, within five working days after receiving the consent, send a response to the request for the corresponding financial year to the authorized body;

      5) within three working days after receipt of the response to the request, the authorized body shall send to the organization information on the projected amount of financing for projects in the manufacturing industry for the corresponding financial year;

      6) the organization, after receiving information on the forecast amounts of financing projects in the manufacturing industry for the corresponding financial year, shall send an application with the attachment of the business plan considered for financing a project in the manufacturing industry, including environmental quality targets, for approval to the authorized body in the field of environmental protection and the authorized body.

      For projects aimed at updating vehicles by stimulating consumer demand in the Republic of Kazakhstan, as well as streetcars, trolleybuses and machinery to update the technical base of territorial bodies, institutions of the Ministry of Emergency Situations of the Republic of Kazakhstan and organizations of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan, National Operator for Highway Management, the organization shall send an application with the attachment of information on vehicles of domestic production, corresponding to the environmental class in accordance with the technical regulations, for the entire amount of funding for approval by the authorized body in the field of environmental protection and the authorized body.

      For projects aimed at updating self-propelled agricultural machinery by stimulating consumer demand in the Republic of Kazakhstan, the organization shall send an application with information on self-propelled agricultural machinery of domestic production, corresponding to environmental requirements defined by technical regulations, including copies of certificates of conformity, issued by the conformity assurance body in accordance with the legislation of the Republic of Kazakhstan in the field of technical regulation, the presence of which confirms compliance with environmental requirements defined by technical regulations for the entire amount of funding for approval by the authorized body in the field of environmental protection;

      7) the authorized body in the field of environmental protection and the authorized body, within twenty-two working days after receiving the application, shall consider the project in the manufacturing industry submitted in accordance with subparagraph 6) of paragraph 4 of these Rules for compliance with environmental quality targets or technical regulations and the agreement on industrial assembly of vehicles, approve the submitted application or provide a reasoned refusal.

      In case of refusal of the authorized body in the field of environmental protection and the authorized body, the organization shall finalize the application and resubmit it for approval in accordance with subparagraph 6) of paragraph 8 of these Rules;

      8) the organization, within five working days after receiving the approval of the authorized body in the field of environmental protection and the authorized body provided for in subparagraph 7) of paragraph 8 of these Rules, shall conclude a loan agreement with the operator for each individual project in the manufacturing industry for further financing projects in the manufacturing industry.

      Footnote. Paragraph 8 as amended by the resolution of the Government of the RK dated 11.12.2024 № 1051 (shall enter into force from the date of its first official publication).

      9. Further financing of projects in the manufacturing industry shall be carried out by the organization at rates of up to 3%, as well as from 0.01 percent or more for projects aimed at updating vehicles by stimulating consumer demand in the Republic of Kazakhstan, including in accordance with the terms of the System documents state planning and (or) internal acts and decisions of authorized bodies.

 **Paragraph 2. The procedure for financing projects in the manufacturing industry for the construction of plants (productions) for preparation for reuse, processing, reprocessing, sorting, subsequent processing and (or) disposal of waste, improving the material and technical base of organizations engaged in collection, transportation, preparation for reuse, sorting, treatment, processing and (or) disposal of waste, organization of energy recovery of waste**

      10. Financing of projects in the manufacturing industry for the construction of plants (productions) for preparation for reuse, processing, reprocessing, sorting, subsequent processing and (or) disposal of waste, improvement of the material and technical base of organizations engaged in collection, transportation, preparation for reuse, sorting, processing, reprocessing and (or) disposal of waste, organization of energy recycling of waste shall be carried out in the following order:

      1) the organization shall annually, before July 1 of the corresponding year, submit for consideration to the authorized body in the field of environmental protection an application with a business plan attached, providing information on the focus of the project in the manufacturing industry for the construction of plants (productions) in preparation for reuse, processing, reprocessing, sorting, subsequent processing and (or) disposal of waste, improving the material and technical base of organizations involved in the collection, transportation, preparation for reuse, sorting, processing, reprocessing and (or) disposal of waste, organizing energy recycling of waste to improve the state of the environment and achieving target indicators in the field of solid waste management, provided for in the Concept for the transition of the Republic of Kazakhstan to a “green economy”, approved by Decree of the President of the Republic of Kazakhstan dated May 30, 2013 №577 (hereinafter referred to as Targets in the field of solid waste management);

      2) the authorized body in the field of environmental protection, shall within five working days, send to the relevant local executive body of the region, capital, city of republican significance the information specified in subparagraph 1) of paragraph 10 of these Rules;

      3) the local executive body of the region, capital, city of republican significance, within five working days, shall review and send to the authorized body in the field of environmental protection a letter about the need to implement the relevant project and achieve the target indicators in the field of solid waste management;

      4) the authorized body in the field of environmental protection, within ten working days after receiving from the local executive body of the region, capital, city of republican significance the information provided for in subparagraph 3) of paragraph 10 of these Rules, shall send the organization a letter confirming the need to implement the project and its focus on improving the state of the environment and achieving target indicators in the field of solid waste management, or provide a reasoned refusal.

      If the authorized body in the field of environmental protection receives a refusal, the organization shall finalise the application and resubmit it for approval in accordance with subparagraph 1) of paragraph 10 of these Rules;

      5) the organization, before August 31 of the corresponding year, shall send to the operator a letter from the authorized body in the field of environmental protection, provided for in subparagraph 4) of paragraph 10 of these Rules, and information on the forecast volumes of financing of projects in the manufacturing industry for the construction of plants (productions) in preparation for reuse, processing, reprocessing, sorting, subsequent processing and (or) disposal of waste, improvement of the material and technical base of organizations engaged in the collection, transportation, preparation for reuse, sorting, processing, reprocessing and (or) disposal of waste, organization of energy recycling waste for the corresponding financial year with the attachment of a business plan for projects being considered for financing and information on the focus of the project on improving the environment and achieving targets in the field of solid waste management for the corresponding financial year;

      6) the operator, after reviewing the information specified in subparagraph 5) of paragraph 10 of these Rules, within seven working days shall include the forecast volumes of financing in the relevant section of its investment policy and send it for approval to the authorized body in the field of environmental protection;

      7) the authorized body in the field of environmental protection, shall within ten working days after receiving the investment policy, approve it or send a reasoned refusal to approve to the operator.

      If the authorized body in the field of environmental protection sends a reasoned refusal, the operator, within three working days, shall eliminate the reason for the reasoned refusal and send the investment policy for re-approval to the authorized body in the field of environmental protection;

      8) the operator, after receiving the approval of the authorized body in the field of environmental protection, provided for in subparagraph 7) of paragraph 10 of these Rules, in the manner prescribed by the legislation of the Republic of Kazakhstan, shall enter into a loan agreement with the organization in the amount of the approved amount of financing of projects in the manufacturing industry for the construction of plants (productions) on preparation for reuse, processing, reprocessing, sorting, subsequent processing and (or) disposal of waste, improving the material and technical base of organizations collecting, transporting, preparing for reuse, sorting, processing, reprocessing and (or) disposal of waste, organizing energy waste recycling in the corresponding year for further financing.

 **Paragraph 3. Procedure for financing projects in the manufacturing industry for the purchase of equipment (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers who shall have entered into an appropriate agreement on the industrial assembly of vehicles and equipment of domestic and (or) foreign production complying with environmental requirements defined by technical regulations, to organize the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of equipment and (or) equipment of domestic and (or) foreign production that shall meet environmental requirements defined by technical regulations, for harvesting, processing wood and other forest products when carrying out continuous sanitary felling by logging organizations, forest institutions and environmental organizations.**

      Footnote. Paragraph 3 – in the wording of the resolution of the Government of the Republic of Kazakhstan dated 15.07.2024 № 558 (shall enter into force from the day of its first official publication).

      11. Financing of projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers that shall have entered into an agreement on the industrial assembly of vehicles and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forest institutions and environmental organizations shall be carried out in the following order:

      1) the organization by July 1 of the corresponding year shall send an application for consideration to the authorized body in the field of environmental protection with the attachment of information on the orientation of the project in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers who have entered into an appropriate agreement on the industrial assembly of vehicles and (or) machinery of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for harvesting, processing wood and other forest products when carrying out continuous sanitary felling by logging organizations, forestry institutions and environmental organizations to improve the state of the environment and compliance of machinery (including fire transport, small forest fire complex, tractor) and (or) equipment of domestic and/or foreign production for organizing the prevention of forest fires and their extinguishing, harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forest institutions and environmental organizations with environmental requirements determined by technical regulations, including copies of certificates of conformity issued by the body for confirmation of compliance in accordance with the legislation of the Republic of Kazakhstan in the field of technical regulation;

      2) the authorized body in the field of environmental protection within five working days shall send to the authorized body and the relevant local executive body of the region, capital, city of republican significance the information specified in subparagraph 1) of paragraph 11 of these Rules;

      3) the authorized body and the local executive body of the region, capital, city of republican significance within five working days shall consider and shall send a letter to the authorized body in the field of environmental protection about the need to implement the relevant project;

      4) the authorized body in the field of environmental protection, within ten working days after receiving from the authorized body and the local executive body of the region, capital, city of republican significance the information provided for in subparagraph 3) of paragraph 11 of these Rules, shall consider the project in the manufacturing industry submitted in accordance with subparagraph 1) of paragraph 11 of these Rules for compliance with technical regulations, shall approve the submitted application or shall provide a reasoned refusal.

      In case of refusal of the authorized body in the field of environmental protection, the organization shall refine the application and shall resubmit it for approval in accordance with subparagraph 1) of paragraph 11 of these Rules;

      5) the organization, by August 31 of the corresponding year, shall send the operator a letter from the authorized body in the field of environmental protection, provided for in subparagraph 4) of paragraph 11 of these Rules, and information on the forecast amounts of funding for projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers who have entered into an appropriate agreement on the industrial assembly of vehicles and (or) machinery of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forestry and environmental institutions for the corresponding financial year with information on the project's focus on improving the environment and compliance of machinery (including fire transport, small forest fire complex, tractor) and (or) machinery of domestic and/or foreign production for organizing the prevention of forest fires and their extinguishing, harvesting, processing of wood and other forest products during continuous sanitary felling by logging organizations, forestry institutions and environmental organizations with environmental requirements determined by technical regulations for the corresponding financial year;

      6) the operator, after considering the information specified in subparagraph 3) of paragraph 11 of these Rules, within seven working days shall include the forecast amounts of financing in the relevant section of its investment policy and shall send it for approval to the authorized body in the field of environmental protection;

      7) the authorized body in the field of environmental protection within ten working days after receiving the investment policy agrees it or shall send a reasoned refusal to the operator.

      If the competent authority in the field of environmental protection sends a reasoned refusal, the operator shall eliminate the reason for the reasoned refusal within three working days and send the investment policy for re-approval to the competent authority in the field of environmental protection;

      8) the operator, after obtaining the approval of the authorized body in the field of environmental protection, provided for in subparagraph 5) of paragraph 11 of these Rules, in the manner prescribed by the legislation of the Republic of Kazakhstan, shall conclude a loan agreement with the organization for the amount of approved funding for projects in the manufacturing industry for the purchase of machinery (including fire transport, small forest fire complex, tractor) of domestic production from manufacturers, who have entered into an appropriate agreement on the industrial assembly of vehicles and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for organizing the prevention of forest fires and their extinguishing by forest institutions and environmental organizations, the acquisition of machinery and (or) equipment of domestic and (or) foreign production corresponding to environmental requirements defined by technical regulations, for harvesting, processing wood and other forest products when carrying out continuous sanitary felling by logging organizations, forest institutions and environmental organizations in the relevant year for further financing.

      Footnote. Paragraph 11 as amended by the resolution of the Government of the RK dated 11.12.2024 № 1051 (shall enter into force from the date of its first official publication).

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