

On approval of a standard lease contract, concerning state-owned plots of land, where special economic zones are created

Invalidated Unofficial translation

Order No. 1289 of the Acting Minister for the Investments and Development of the Republic of Kazakhstan dated December 31, 2015. Registered in the Ministry of Justice of the Republic of Kazakhstan on February 2, 2016 under No.12978. Expired by Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated July 19, 2019 No. 522

Unofficial translation

Footnote. Expired by Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated July 19, 2019 No. 522 (effective after ten calendar days after the date of its first official publication).

In accordance with subparagraph 8-4) of Article 5 of the Law of the Republic of Kazakhstan "On Special Economic Zones in the Republic of Kazakhstan" dated July 21, 2011 **I hereby ORDER:**

1. To approve the attached standard lease contract, concerning state-owned plots of land, where special economic zones are created.

2. The Investment Committee of the Ministry for Investments and Development of the Republic of Kazakhstan (Ye.K. Khairov) shall ensure:

1) state registration of this order at the Ministry of Justice of the Republic of Kazakhstan;

2) sending both soft and hard copies of the order for official publication in periodicals and the legal information system Adilet ("Әділет"), as well as to the republican state enterprise on the basis of the right of economic management "Republican Legal Information Center of the Ministry of Justice of the Republic Kazakhstan" within ten calendar days after the state registration of this order in the Ministry of Justice of the Republic of Kazakhstan;

3) placement of this order on the Internet resource of the Ministry for Investment and Development of the Republic of Kazakhstan and on the intranet portal of state bodies;

4) submitting information on the implementation of measures, stated in Subparagraphs 1), 2) and 3) of this Paragraph to the Legal Department of the Ministry

for Investment and Development of the Republic of Kazakhstan within ten working days after the state registration of this order in the Ministry of Justice of the Republic of Kazakhstan.

3. Supervision over this order fulfillment shall be entrusted to Supervising Vice-Minister for Investments and Development of the Republic of Kazakhstan.

4. This order shall be put into effect upon the expiry of 10 calendar days after its first official publication.

The acting

*Minister for Investments and Development
of the Republic of Kazakhstan*

Zh. Kassymbek

Approved by
order No.1289 of the Acting
Minister for Investments and
Development of the
Republic of Kazakhstan
dated December 31,2015

**Standard lease contract,
concerning state-owned plots of land,
where special economic
zones are created**

city _____ " " _____ 20 ____
(place of conclusion of the contract) (date of conclusion of the contract)

(name of the legal entity)
represented by _____, acting on
the basis of _____

hereinafter referred to as "Lessor", as the first party, and

represented by _____, acting on
the basis of _____

hereinafter referred to as "Lessee", as the second party, hereinafter both
referred to as "Parties", have entered into this contract
for temporary paid land use (lease) of
state-owned land plots, on which a special economic zone is created
(hereinafter referred to as the contract), as follows:

1. Subject of the contract

1. The lessor transfers (provides) to the lessee a land plot (part of the land plot) belonging to him in public ownership, within the territory of a special economic zone (hereinafter – SEZ) _____ for temporary land use (rent) on the basis of the resolution of the akimat _____ dated _____ for a period of " ____ " years up to " ____ " _____ 20__ years.

2. The location of the land plot and its data:

address: region _____

_____ district _____

_____ city _____ street _____

_____ registered number: _____

_____ area _____

_____ intended use: _____

_____ use restrictions and encumbrances: _____

_____ divisibility of land: _____

3. There are (are no) real estate units
on the land plot

(indicate the real estate units and their characteristics in case of their location on the land plot or register the absence thereof)

The detailed list of real estate units with technical characteristics is attached to the contract (in case of their location on the land plot).

The assignment of the plot of land is executed by the act of acceptance-transfer (indicating the actual condition of the plot of land), which is drawn up and signed by the parties in two copies (one for each of the Parties). The act of acceptance-transfer is attached to the contract and is its integral part.

2. Main definitions

4. In the present contract the following definitions are used:

1) inseparable improvements - improvements made by the lessee with the consent of the lessor (buildings, structures, that do not contradict the intended use of the land plot), are not separable without harm to the

property;

2) agreement of the participant of the SEZ - the agreement on the implementation of activities as a participant of the SEZ;

3) lessor - a legal entity that is the owner of the land plot, located within the boundaries of the SEZ;

4) lease contract - a temporary paid land use (lease) contract for state-owned land plots on which an SEZ is created, concluded between the lessor and the lessee in accordance with the Civil and Land Codes of the Republic of Kazakhstan, the Law, other regulatory legal acts, set out in a written form, signed by the Parties, with all annexes and additions to it;

5) land plot - a land plot located on the territory of the SEZ _____
_____;

6) lessee - a legal entity, in accordance with the Law of the Republic of Kazakhstan "On Special Economic Zones in the Republic of Kazakhstan" (hereinafter referred to as the Law), carrying out priority activities on the territory of the SEZ and included in the unified register of participants of the SEZ, (participant of the SEZ) and (or) managing a company, established in accordance with the Law in the organizational and legal form of a joint stock company to ensure the functioning of the SEZ.

3. Rights and obligations of parties;

5. Lessee is entitled to:

1) have and use his/her own plot of land for his/her purposes, basing on intended use of the plot of land;

2) have his/her own production made on the plot of land, as well as to have profits after selling the products;

3) construct buildings which are not contrary to the designation of the plot of land after the lessor's consent;

4) compensate payments for inseparable improvements of the plot of land upon expiry of the period of an effect of the Agreement in accordance with the Civil Code of the Republic of Kazakhstan;

5) buy (this is a lessee's priority right) his/her private plots of land;

6) enter into sublease contracts;

7) other rights in accordance with the Republic of Kazakhstan laws.

6. Lessee is obliged to:

1) use the land plot in accordance with its main intended use and in the manner provided for in this Contract;

- 2) apply the environmental technology of production, to prevent damage to the environment and environmental degradation as a result of its economic activity;
- 3) carry out land protection measures set out in the land legislation of the Republic of Kazakhstan;
- 4) make timely payments for the use of the land plot in accordance with the terms of this agreement;
- 5) annually specify the amount of rent with the Lessor;
- 6) submit to the tax authorities at the location of land plots tax reports (calculating the amount of current payments) for the payment for the use of land plots no later than February, 20 of the corresponding reporting tax period;
- 7) in the case of the conclusion of this contract after the beginning of the tax period , lessee is obliged to present the calculation of the amounts of current payments not later than the 20th day of the month following the month of the conclusion of the contract;
- 8) present the calculation of the amounts of current payments no later than ten calendar days from the date of the end of the term of the contract (termination) at the end of the term of the contract or its termination after the start of the tax period;
- 9) follow the existing architectural-planning, construction, environmental, sanitary and hygienic and other special requirements (norms, rules, regulations) in accordance with the laws of the Republic of Kazakhstan when implementing construction on the land plot;
- 10) submit in a timely manner to the authorized bodies information on the state and use of the land plot;
- 11) not to allow the removal of the fertile layer of soil for the purpose of selling it or transferring it to other persons, except for the cases when such removal is necessary to prevent the irretrievable loss of the fertile layer;
- 12) compensate in full the losses in case of deterioration of the quality of land and the ecological situation as a result of its economic activity;
- 13) register the right to lease a land plot or amendments thereto in the justice bodies in accordance with the procedure established by the legislation of the Republic of Kazakhstan within one month;
- 14) return the land plot to the lessor in proper condition on the basis of the transfer and acceptance certificate within 15 (fifteen) working days from the date of termination of the agreement of the SEZ participant in the event of termination of the agreement of the participant of the SEZ unilaterally, in accordance with the Law;
- 15) not violate the rights of other owners and land users;
- 16) report to local executive bodies on identified production and consumption wastes that are not their property;

17) bear other duties established by the laws of the Republic of Kazakhstan 7
Lessor is entitled to:

1) compensation in full for damages, caused by the deterioration of the quality of land and the environmental situation in the result of economic activity of the lessee;

2) other rights in accordance with the laws of the Republic of Kazakhstan.

8. Lessor is obliged to:

1) transfer the land plot to the lessee in a condition

complying with the terms of the contract;

2) reimburse the lessee for the costs associated with the inseparable improvements of the land plot;

3) in case of impossibility of reimbursement of expenses arising from Subparagraph 2) of this Paragraph, provide the lessee with the priority right to acquire the land plot;

4) in the event of termination of the agreement of the participant of the SEZ in a unilateral order, in accordance with the Law, withdraw the land plot in the proper condition on the basis of the transfer and acceptance certificate within 15 (fifteen) working days from the date of termination of the agreement of the participant of the SEZ;

5) to bear other duties established by the laws of the Republic of Kazakhstan.

4. Term of the contract

9. This contract comes into force from the date of its conclusion by the Parties.

10. This contract is concluded for a period of _____ years, but not more than the period of creation and operation of the SEZ _____.

11. The term of this contract may be extended by agreement of the Parties within the term of the SEZ operation.

12. A request for the extension of the term of this contract shall be sent by the lessee to the lessor no later than 1 (one) calendar month before the expiration of this agreement.

13. The request for the extension of the term of this contract shall be considered by the lessor no later than one month from the date of its receipt from the lessee.

In this case, the lessee has a preferential right to third parties to conclude the contract for a new term.

5. Payment for the use of the land plot

14. Monthly / quarterly / annual payment under the present contract is payable by the lessee within 30 calendar days after its conclusion.

15. The amount of the land rent is not fixed and may change in accordance with the amendments to the legislative acts regulating the procedure for calculating tax and other payments for the rented land.

16. The calculation of the amount of payment for using the land plot in accordance with Article 481 of the Tax Code of the Republic of Kazakhstan may be revised by the Lessor in cases of changes in the terms of the contract, as well as the change of the procedure for calculating the fee for using the land plot, established by the Tax legislation of the Republic of Kazakhstan.

6. Liability of the Parties

17. For non-fulfillment or improper fulfillment of the terms of the present contract, the Parties shall be found liable under the laws of the Republic of Kazakhstan and this contract.

18. For violation of the procedure and terms for payment for the use of the land plot under this contract, the lessee pays the lessor a penalty in the amount of _____% of the cost of the payment for the use for one year under this contract.

19. Responsibility of the Parties for violation of obligations under this contract caused by force majeure is regulated by the current laws of the Republic of Kazakhstan

7. Terms of modification, amendment, discharge and termination of this contract

20. Modification of the terms of this contract and its termination unilaterally before the expiration date, provided that the parties fulfil their obligations under this contract, shall not be allowed except in cases provided in paragraph 23. of this contract.

21. All modifications and amendments to this contract are valid only on condition that they are in writing and signed by authorized representatives of the Parties.

22. The validity of this contract is terminated if:

- 1) the abolition of the SEZ;
- 2) the expiration of this agreement, if the Parties have not concluded an agreement on its extension;
- 3) the early termination of this contract in a judicial order;
- 4) the termination of the agreement of the participant of the SEZ unilaterally in accordance with the Law.

8. Dispute Resolution Procedure

23. Disputes and disagreements that may arise in the performance of obligations under this contract shall be resolved through negotiations between the Parties.

24. If it is impossible to resolve disputes through negotiations within three months, the Parties submit them to the judicial authorities of the Republic of Kazakhstan for settlement.

25. The parties shall not be exempted from performing the obligations, established by the contract until complete settlement of the emerged disputes and disagreements.

9. Force Majeure

26. The party which fails to fulfill or improperly fulfills its obligations under this contract is financially liable, if it does not prove that proper execution was impossible due to force majeure, in other words extraordinary and unavoidable conditions under the given circumstances (natural disasters, military actions, etc.).

10. Final provisions

27. Legal relations of the Parties, not stipulated by this contract, are regulated by the current laws of the Republic of Kazakhstan.

28. All notifications and documents required for the implementation of this contract are deemed to be submitted and properly provided by each of the Parties under this contract only upon receipt by the Party to which they are addressed.

29. Notification and documents are handed directly to the Party in person or sent by mail, registered airmail, and fax.

30. When a Party changes its mailing address, each Party is required to provide written notice to the other Party within 7 working days.

31. All annexes to this contract are its integral parts.

32. All modifications and amendments to this contract are made out by a written contract of the Parties. Such agreement is an integral part of this contract.

33. This contract is made in duplicate, having the same legal force, one of which is with the lessor, the second is with the lessee.

34. This contract was signed on _____ (day), _____ (month) of the year 20 __
__ in the city of _____ of the Republic of Kazakhstan by authorized representatives of the Parties.

35. Legal addresses and signatures of the Parties:

Lessee:

Name _____

Legal address _____

Current account _____

BIN _____

Bank _____

Phone / Fax _____

LS

Signature _____

Lessor: Name _____

Legal address _____

Current account _____

BIN _____

Bank _____

Phone / Fax _____

LS

Signature _____