



## **On approval of the Procedure for Special Economic Zones Effectiveness Assessment**

### *Invalidated Unofficial translation*

Order of the Minister on innovations and development of the Republic of Kazakhstan No. 136, dated January 29, 2016. Registered in Ministry of Justice of the Republic of Kazakhstan on March 3, 2016 No. 13380. Abrogated by the Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated August 12, 2019 No. 637

### *Unofficial translation*

**Footnote. Expired by Order of the Minister of Industry and Infrastructure Development of the Republic of Kazakhstan dated August 12, 2019 No. 637 (effective after ten calendar days after the date of its first official publication).**

In accordance with subparagraph 12-2) of Article 5 of the Law of the Republic of Kazakhstan dated July 21, 2011 “On Special Economic Zones in the Republic of Kazakhstan” I hereby **ORDER:**

1. To approve the attached procedure for special economic zones effectiveness assessment.

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

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

2) sending of a copy of this order in printed and electronic form for official publication in periodicals and Adilet information legal system within ten calendar days after the state registration of this order in the Ministry of Justice of the Republic of Kazakhstan, as well as in the Republican Center for Legal Information within ten calendar days from the date of receipt of the registered order for inclusion in the reference control databank of regulatory legal acts of the Republic of Kazakhstan;

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

4) within ten business days after the state registration of this order in the Ministry of Justice of the Republic of Kazakhstan: the submission to the Legal Department of the Ministry of Investment and Development of the Republic of Kazakhstan of information on the implementation of measures provided for in subparagraphs 1), 2) and 3) of paragraph 2 of this order.

3. Control over the execution of this order shall be entrusted to the supervising vice minister for investment and development of the Republic of Kazakhstan.

4. This order becomes effective after ten calendar days from the date of its first official publication.

*The Minister  
on innovations and development  
of the Republic of Kazakhstan*

*A. Issekeshv*

"AGREED BY"

The Minister on national economy  
of the Republic of Kazakhstan

\_\_\_\_\_ Ye. Dossayev

February 1, 2016

Approved by  
the Order of the Minister  
on innovations and development  
of the Republic of Kazakhstan  
No. 136, dated January 29, 2016

## **Procedure for**

### **Special Economic Zones Effectiveness Assessment 1. General Provisions**

1. This Procedure for special economic zones effectiveness assessment (hereinafter - the Procedure) was developed in accordance with subparagraph 12-2) of Article 5 of the Law of the Republic of Kazakhstan dated July 21, 2011 "On Special Economic Zones in the Republic of Kazakhstan" (hereinafter the Law) and is intended to assess the effectiveness of special economic zones.

2. Special economic zones effectiveness assessment (hereinafter - the assessment) is carried out by the Unified Coordination Center for Special Economic Zones in the Republic of Kazakhstan (hereinafter - the Unified Coordination Center).

3. The assessment is carried out annually at the end of the reporting (calendar) year

For the newly created special economic zones, the assessment is carried out for the actual period of operation of the special economic zone from the moment of its creation until December 31 of the reporting (calendar) year.

4. The management body of the special economic zone shall, quarterly and no later than the 10th day of the month following the reporting quarter, report on the results of the special economic zone (hereinafter referred to as reporting information) in an arbitrary form, with the obligatory indication of the data approved by the order of the Deputy Prime Minister of the Republic Kazakhstan - Minister of Industry and New Technologies of the Republic of Kazakhstan dated September 21, 2011 No. 334 "On

Approval of the Rules and the Frequency of Provision of a Special economic zone reporting”(registered in the Register of state registration of regulatory legal acts of the Republic of Kazakhstan under No. 7207).

5. The source of information for Assessment is the reporting information of the management body of the special economic zone, submitted on electronic and paper media.

The result of this assessment is an assessment of the achievement of forecasted and planned indicators stipulated by the development plan of the special economic zone, approved by the central executive body exercising state regulation in the sphere of creation, functioning and abolition of special economic zones (hereinafter - the authorized body), target indicators of the functioning of the special economic zone, a critical level of failure to achieve target indicators determined by decrees of the President of the Republic Kazakhstan on the creation of a special economic zone.

## **2. Assessment Process**

6. Assessment of the effectiveness of the special economic zone is carried out separately for each special economic zone according to the following criteria:

- 1) the effectiveness of the special economic activity;
- 2) the effectiveness of the activities of the participants of the special economic zone ;
- 3) the influence of the activity of the special economic zone on the socio-economic development of the territory (region, city of republican significance, the capital city) at the territory of which it was established;
- 4) management effectiveness of the management body of the special economic zone.

7. Scores are specified for each criterion defined by paragraph 6 of this Procedure according to paragraphs 12 and 13 of this Procedure.

The total value of each criterion (sub-criterion) is defined as the weighted average of the indicators in percentage terms.

8. When assessing the "special economic zone effectiveness" criterion, the following indicators are taken into account:

- 1) the number of participants in the special economic zone, including the number of participants with the participation of foreign investors in the composition of the shareholders (participants) and participants implementing contracts for carrying out activities as a participant in the special economic zone with the attraction of foreign investment (forecast / actual);
- 2) the number of jobs created by the participants of the special economic zone at the territory of the special economic zone (forecast / actual) (temporary jobs / permanent jobs);

3) the volume of investments, including capital investments, made by the participants of the special economic zone at the territory of the special economic zone in accordance with the agreements on the implementation of activities as a participant of the special economic zone (plan / actual);

4) the amount of revenue from the sale of goods, works, services, net of value-added tax, excise taxes (in accordance with the income statement of the financial statements of participants applying the general taxation system) and (or) the amount of income (in accordance with the tax return for tax paid in connection with the application of the simplified taxation system, for participants applying the simplified taxation system) received by the participants as a result of the implementation of contracts for the implementation of activities as participants of a special economic zone (forecast / plan);

5) the volume of private investment in the authorized capital of the management body of the special economic zone in order to finance the creation of engineering, transport, social, innovation and other infrastructure of the special economic zone;

6) the amount of taxes paid by the participants of the special economic zone to the budgets of all levels of the budget system of the Republic of Kazakhstan (forecast / plan);

7) the volume of customs payments paid by the participants of the special economic zone;

8) the number of engineering infrastructure facilities built at the territory of the special economic zone and put into operation (plan / actual), and their design capacity;

9) the volume of budget investments (funds from the republican, local budgets) for the construction of infrastructure (allocated / mastered).

The fulfillment share of each indicator specified in subparagraphs 1) to 9) of this paragraph is calculated by the formula:

$$P_{indicator} (\%) = \frac{P_{actual (mastered)}}{P_{plan (forecast, allocated)}} \times 100$$

where:

$P_{indicator}$

$P_{indicator}$  – share of indicator fulfillment;

$P_{actual (mastered)}$

$P_{actual}$  (*mastered*) – actual value of indicator fulfillment;

$P_{plan}$  (*forecast, allocated*)

$P_{plan}$  (*forecast, allocated*) – general value of this indicator.

9. The Assessment of the “effectiveness of the special economic zone participants’ activities” criterion is made on the basis of the indicators stipulated in subparagraphs 2), 3) and 6) of paragraph 8 of this Procedure.

The total value of each criterion (sub-criterion) is defined as the weighted average of the indicators in percentage terms:

$$C_{weighted\ average} = \frac{\sum P_i * B_i}{\sum P_i}$$

where:

$C_{weighted\ average}$

$C_{weighted\ average}$  - weighted average value of indicators;

$P_i$

$P_i$  – share for each indicator within the correspondent criteria;

$B_i$

$B_i$  – corresponding score for actual fulfillment of forecasted-planned indicators according to paragraph 15.

10. The “effectiveness of the special economic zone participants’ activities” criterion includes the “effectiveness of the special economic zones types of activities” sub-criterion.

The “effectiveness of the special economic zones types of activities” sub-criterion is calculated based on the type of activity of the special economic zone, which is divided into the type of activity in the manufacturing industry and in the transport and logistics sector.

11. The “effectiveness of the special economic zones types of activities” sub-criterion for activities in the manufacturing industry consists of indicators:

1) the share of exported products in the total volume of production is calculated by the formula:

$$\omega_{export.prod.}(\%) = \frac{P_{export.prod.}}{P_{total\ volume}} \times 100$$

where:

$\omega_{export.prod.}$

$\omega_{export.prod.}$  - the share of exported products produced by the special economic zones participants in the total volume of produced products in %;

$P_{export.prod.}$

$P_{export.prod.}$  - actual value of exported products in monetary terms;

$P_{total\ volume}$

$P_{total\ volume}$  – total volume of the products produced at the territory of the Republic of Kazakhstan in monetary terms;

2) the share of the processing industry related to high-tech sectors of the economy, in the total number of industries located in the special economic zone is calculated by the formula:

$$\omega_{commercial\ production}(\%) = \frac{P_{hi-tech.}}{P_{total\ volume}} \times 100$$

where:

$\omega_{commercial\ production}$

$\omega_{commercial\ production}$  – this is the share of the processing industry belonging to the high-tech sectors of the economy in the total number of industries

located in the special economic zone in the sphere of processing industry;

$P_{hi-tech}$ .

$P_{hi-tech}$  - the actual number of production in the processing industry in the high-tech sectors;

$P_{total\ volume}$

$P_{total\ volume}$  – the total number of productions located in the special economic zone in the sphere of processing industry;

3) the specific gravity of enterprises carrying out technological innovations in the total number of enterprises (participants implementing agreements on the implementation of activities as a participant of a special economic zone) is calculated by the formula:

$$\omega_{S.G.}(\%) = \frac{P_{TIE.}}{P_{total\ volume}} \times 100$$

where:

$\omega_{S.G.}(\%)$

$\omega_{S.G.}(\%)$  - the specific gravity of enterprises engaged in technological innovation in the total number of enterprises;

$P_{TIE.}$

$P_{TIE.}$  - the actual number of enterprises engaged in technological innovations;

$P_{total\ volume}$

$P_{total\ volume}$  - the total number of enterprises.

12. The “effectiveness of special economic zones activities types” sub-criterion for activities in the transport and logistics sector is calculated on the basis of the following indicators:

1) the share of exports in total cargo turnover, which is calculated by the formula:



$$\omega_{export}(\%) = \frac{P_{prod.export}}{P_{total\ volume}} \times 100$$

where:

$\omega_{export}$

$\omega_{export}$  – the share of export in total cargo turnover;

$P_{prod.export}$

$P_{prod.export}$  – actual volume of products export in monetary terms;

$P_{total\ volume}$

$P_{total\ volume}$  – total volume of cargo turnover in monetary terms;

2) the share of import in total cargo turnover, which is calculated by the formula:

$$\omega_{import}(\%) = \frac{P_{prod.import}}{P_{total\ volume}} \times 100$$

where:

$\omega_{import}(\%)$

$\omega_{import}(\%)$  - the share of import in total cargo turnover;

$P_{prod.import}$

$P_{prod.import}$  - actual volume of products import;

$P_{total\ volume}$

$P_{total\ volume}$  – total volume of cargo turnover.



13. The “influence of the activity of the special economic zone on the socio-economic development of a territory (region, city of republican significance, capital city) at the territory of which it was established” criterion is defined as:

1) the ratio of the indicator specified in subparagraph 2) of paragraph 8 of this Procedure to the number of employable population of an administrative-territorial unit (region, city of republican significance, capital city) at the territory of which a special economic zone has been established (for calculation, the indicator values as of December 31 of the current year are used.

The total value of the indicator can be expressed as a percentage, which is calculated by the formula:

$$h (\%) = \frac{P_1}{P_2} \times 100$$

where:

$h$

$h$  - the ratio of the indicator specified in subparagraph 2) of paragraph 8 of this Procedure to the number of employable population of an administrative-territorial unit (region, city of republican significance, capital city) at the territory of which a special economic zone has been established;

$P_1$ .

$P_1$ . - indicator specified in subparagraph 2) of paragraph 8 of this Procedure;

$P_2$

$P_2$  - indicator of the number of employable population of an administrative-territorial unit (region) at the territory of which a special economic zone has been established;

2) the ratio of the indicator specified in subparagraph 4) of paragraph 8 of this Procedure to the volume of the gross regional product of the administrative-territorial unit at the territory of which the special economic zone is established (annual values of indicators are used for calculation; the total value of the indicator is expressed as a percentage), which is calculated according to the formula:

$$h (\%) = \frac{P_3}{P_4} \times 100$$

where:

$h$

$h$  - the ratio of the indicator specified in subparagraph 4) of paragraph 8 of this Procedure to the volume of the gross regional product of the administrative-territorial unit at the territory of which the special economic zone is established;

$P_3$

$P_3$  – the amount of income from the sale of goods, works, services, net of value added tax, excise taxes (in accordance with the income statement of the financial statements of participants applying the general taxation system) and (or) the amount of income (in accordance with the tax return for tax paid in connection with the application of the simplified taxation system for the participants applying the simplified taxation system) received by the participants as a result of the implementation of contracts for the implementation of activities as a participant of special economic zone (forecast / actual );

$P_4$

$P_4$  - the volume of gross regional product of the administrative-territorial unit at the territory of which the special economic zone is established;

3) the ratio of the indicator specified in subparagraph 6) of paragraph 8 of this Procedure to the amount of taxes paid to the budgets of all levels of the budget system of the Republic of Kazakhstan by taxpayers registered for the territorial-administrative unit at the territory of which the special economic zone is established ( in percent), which is calculated by the formula:

$$h (\%) = \frac{P_5}{P_6} \times 100$$

where:

*h*

*h* – the ratio of the indicator specified in subparagraph 6) of paragraph 8 of this Procedure to the amount of taxes paid to the budgets of all levels of the budget system of the Republic of Kazakhstan by taxpayers registered for the territorial-administrative unit at the territory of which the special economic zone is established;

*P<sub>5</sub>*

*P<sub>5</sub>* - indicator specified in subparagraph 6) of paragraph 8 of this Procedure;

*P<sub>6</sub>*

*P<sub>6</sub>* - indicator of the amount of taxes paid to the budgets of all levels of the budget system of the Republic of Kazakhstan by taxpayers registered in the territorial-administrative unit at the territory of which the special economic zone is established.

14. The "management effectiveness of the management body of a special economic zone" criterion is defined as:

the ratio of indicators stipulated in subparagraphs 1) and 8) of paragraph 8 of this Procedure to the forecast and planned indicators of the special economic zone;

the share of the total area of land plots leased and (or) owned by participants of a special economic zone in the total area of a special economic zone, which is calculated by the formula:

$$P_{indicator} (\%) = \frac{P_{actual (leased, owned)}}{P_{plan (forecast, allocated)}} \times 100$$

where:

*P<sub>indicator</sub>*

*P<sub>indicator</sub>* - the share of indicator fulfillment;

*P<sub>actual (leased, owned)</sub>*

$P_{actual} (leased, owned)$  - the actual value of leased and (or) owned land plots of special economic zones;

$P_{plan} (forecast, allocated)$

$P_{plan} (forecast, allocated)$  - the total area of land located at the territory of the special economic zone;

the share of commissioned, already or newly created facilities of engineering infrastructure, including heat supply, water supply, power supply, gas supply, wastewater, in the number of facilities declared and confirmed by contractual obligations of participants of the special economic zone, which is calculated by the formula:

$$P_{indicator} (\%) = \frac{P_{actual} (commissioned)}{P_{plan} (declared)} \times 100$$

where:

$P_{indicator}$

$P_{indicator}$  - the share of indicator fulfillment;

$P_{actual} (commissioned)$

$P_{actual} (commissioned)$  - the actual number of engineering infrastructure facilities commissioned;

$P_{plan} (declared)$

$P_{plan} (declared)$  - the total number of infrastructure facilities declared for commissioning.

15. Special economic zone effectiveness assessment is carried out taking into account the fulfillment of the forecast and planned indicators of the special economic zone for each criterion, according to the annex to this procedure.

3. Final provisions

16. According to the results of the assessment, the Unified Coordination Center shall, annually and until November 1 of the year following the reporting year of the assessment, submit information on the assessment to the authorized body.

Information on the assessment is posted on the Internet resource of the Unified Coordination Center within three business days from the date of its sending to the authorized body.

Based on the information on the assessment conducted, the authorized body generates analytical information on the results of the activity of special economic zones and submits it to the authorized state planning body until January 1 of the year following the reporting year.

The authorized body, on the basis of information on the assessment, forms analytical information on the results of the activity of special economic zones and submits to the Administration of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan until January 1 of the year following the reporting year.

Annex  
to the Procedure for  
Special Economic Zones  
Effectiveness Assessment

### **Criteria for Special Economic Zone Effectiveness Assessment**

A five-score system of values is used to assess the effectiveness of the special economic zone:

- 5 scores – in case of achievement of planned indicators level of 90 percent;
- 4 scores - in case of achievement of planned indicators level of 71-90 percent;
- 3 scores – in case of achievement of planned indicators level of 51-70 percent;
- 2 scores - in case of achievement of planned indicators level of 36-50 percent;
- 1 score - in case of achievement of planned indicators level of 35 percent;
- 0 scores – in case of absence of planned indicators.

The total value of the total indicator of the activity of the special economic zone according to the actual achievement of the forecasted-planned indicators (criteria) of the special economic zone is determined as a weighted average value.

Based on the weighted average value obtained, a special economic zone effectiveness assessment is made for the reporting period and for the period from the beginning of the operation of the special economic zone using the following scores:

from 5 to 4 scores – the value shows the effective activity of the special economic zone;

from 4 to 3 scores - the value shows the considerably effective activity of the special economic zone;

from 3 to 2 scores - the value shows the conditionally effective activity of the special economic zone with the need of improvement for several directions;

from 2 to 1 score - the value shows the low effective activity of the special economic zone;

lower than 1 score - the value shows the ineffective activity of the special economic zone.

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