

On investments

Invalidated Unofficial translation

The Law of the Republic of Kazakhstan, dated 08.01.2003 N 373.

U n o f f i c i a l t r a n s l a t i o n

Footnote. It became null and void by the Code of the Republic of Kazakhstan dated 10.29.2015 No. 375-V (shall be enforced from 01.01.2016).

Bulletin of the Parliament of the Republic of Kazakhstan, 2003, N 1-2, Article 4; "Kazakhstanskaya Pravda" dated 11.01.2003 N 9-11; "YuridicheskayaGazeta", dated 29.01.2003 N 5

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This Law regulates relations, associated with investments in the Republic of Kazakhstan, and defines legal and economic bases of stimulation of investments, warrants the protection of investors' rights in effectuation of investments in the Republic of Kazakhstan, defines measures of state support of investments, dispute resolution procedure with investors.

Chapter 1. GENERAL PROVISIONS

1. Main definitions, used in this Law

In this Law, the following main definitions are used:

1) component parts—constituent parts collectively constituting a structural integrity of technological equipment and included into the relevant list of commodities, compiled by Customs Union Commission;

2) a work program –the annex to an investment contract, specifying calendar schedule of works on implementation of an investment project or an investment strategic project;

3) investments – all types of property (except for the commodities, intended for personal consumption), including the items of financial lease upon the date of concluding an agreement for lease, as well as the rights for them, contributed by the investor into the charter capital of a legal entity or increase of the fixed assets, used for entrepreneurial activity, as well as produced and received fixed assets within the terms of a concession agreement by a concessionaire (successor);

4) an authorized body for investments (hereinafter an authorized body) –a state agency, specified by the Government of the Republic of Kazakhstan for conclusion of investment contracts and monitoring of their enforcement;

5) an investment dispute – a dispute, arising from contractual obligations between investors and state agencies in connection with investment activity of an investor;

6) an investment project – a complex of activities, stipulating for the investments in the establishment of the new, expansion and renovation of existing industries, including the industries, manufactured and received within the terms of a concession agreement by a concessionaire (successor);

7) an investment contract – a contract for effectuation of investments, stipulating investment preferences;

8) an investment activity – the activity of individuals and legal entities concerning participation in the charter capital of commercial organizations or concerning the establishment or increase of fixed assets, used for entrepreneurial activity, as well as concerning manufactured and received fixed assets within the terms of a concession agreement by a concessionaire (successor);

9) investment preferences – the targeted advantages, granted to legal entities of the Republic of Kazakhstan, performing the implementation of an investment project or an investment strategic project in accordance with the legislation of the Republic of Kazakhstan;

11) an investor – individuals or legal entities, effecting investments in the Republic of Kazakhstan;

12) a legal entity of the Republic of Kazakhstan – a legal entity, including a legal entity with foreign participation, established in the manner, established by the legislation of the Republic of Kazakhstan;

13) government natural grants – a property, being in the ownership of the Republic of Kazakhstan, transferred to temporary uncompensated use or provided on the right of temporary uncompensated land use to a legal entity of the Republic of Kazakhstan for the implementation of an investment project or an investment strategic project with subsequent transfer to ownership or land use;

14) a minority investor – an investor effecting the investments in the amount less than ten percent from the voting shares (less than ten percent of total number of participants' votes);

15) a model contract – a standard contract approved by the Government of the Republic of Kazakhstan used in concluding of investment contracts;

16) a technological equipment – the commodities intended for use in technological process of an investment project or an investment strategic project.

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication); as amended by the Law of the Republic of Kazakhstan dated 10.07.2012 № 36-V (shall be enforced upon expiry of ten calendar days after its first official publication).

2. Legislation of the Republic of Kazakhstan on investments

1. The legislation of the Republic of Kazakhstan on investments is based on the Constitution of the Republic of Kazakhstan and consists of this Law and other normative legal acts of the Republic of Kazakhstan.

2. This Law shall not regulate the matters, related to:

effectuation of investments from the state budget;

investment of capital to noncommercial organizations, including those for educational, charity, scientific or religious purposes.

3. The provisions of this Law shall apply to the matters, arising upon the effectuation of investments and related to the scope of other laws of the Republic of Kazakhstan, to the extent, not contradicting such laws of the Republic of Kazakhstan.

4. If an international treaty ratified by the Republic of Kazakhstan establishes rules, other than those contained in this Law, the rules of an international treaty shall apply.

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated February 19, 2007 N 230 (the order of enforcement see article 2).

3. Objects of investment activity

1. Investors shall have the right to effectuate investments to any objects and types of entrepreneurial activity, except as otherwise stipulated by the legislative acts of the Republic of Kazakhstan.

Rights and obligations of investors in respect of objects and types of entrepreneurial activities, in which the investments are being effectuated, shall be established by this Law, other legislative acts of the Republic of Kazakhstan and relevant agreements.

2. The legislative acts of the Republic of Kazakhstan, based upon the need of national security protection, may determine the activities and (or) territories, in respect of which the investment activity shall be restricted or prohibited.

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 19.02.2007 N 230 (the order of enforcement see article 2).

Chapter 2. LEGAL REGIME OF INVESTMENTS

4. The guarantee of the activity of investors in the territory of the Republic of Kazakhstan

1. An investor shall be granted full and unconditional protection of rights and interests, provided by the Constitution of the Republic of Kazakhstan, this Law and other normative and legal acts of the Republic, as well as by international treaties, ratified by the Republic of Kazakhstan.

2. An investor shall have the right to compensation of a damage, caused to him in the result of the issuance of acts by the state agencies, inconsistent with legislative acts

of the Republic of Kazakhstan, as well as in the result of unlawful acts (failure to act) of officials of these agencies in accordance with the civil legislation of the Republic of Kazakhstan.

3. The Republic of Kazakhstan shall guarantee the stability of the terms of contracts, concluded between investors and the state agencies of the Republic of Kazakhstan, except to the extent when amendments to contracts are made upon the agreement between the parties.

These guarantees shall not apply to:

1) amendments to the legislation of the Republic of Kazakhstan and (or) amendments to international treaties of the Republic of Kazakhstan, under which the procedure and terms of import, production, sale of excisable goods are changed;

2) amendments and additions, made to the legislative acts of the Republic of Kazakhstan for the purposes ensuring national and environmental security healthcare and morality.

5. Guarantees of use of revenues

Investors shall have the right:

1) in their discretion, to use revenues, received from their operation, after payment of taxes and other mandatory payments to the budget in accordance with the legislation of the Republic of Kazakhstan;

2) to open bank accounts in national and (or) foreign currency with a banks in the territory of the Republic of Kazakhstan in accordance with the banking and currency legislation of the Republic of Kazakhstan.

6. Publicity of the activity of state agencies in respect of investors and provision of the access of investors to the information, related to the the investment activity

1. Official announcements of the state agencies of the Republic of Kazakhstan and normative legal acts, concerning the interests of investors, shall be published in the manner, established by the legislation of the Republic of Kazakhstan.

2. Investors, including minority investors, shall be provided with free access to the information about the registration of legal entities, their charters, about the registration of transactions with real estate, issued licenses, as well as to other information, stipulated by the legislative acts of the Republic of Kazakhstan, which is related to their investment activity and which does not constitute a trade and other secret protected by the law.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 19.02.2007 N 230 (the order of enforcement see article 2).

7. Control over the activity of investors by the state agencies

1. Control over the activity of investors shall be carried out by the state agencies, which are provided with such a right by the laws of the Republic of Kazakhstan.

2. The procedure and terms of control over the activity of investors shall be specified by the laws of the Republic of Kazakhstan.

Footnote. Article 7 as amended by - the Law of the Republic of Kazakhstan dated 31.01.2006 N 125.

8. Guarantees of the rights of investors under nationalization and seizure

1. Forcible withdrawal of the property of an investor (nationalization, seizure) for the state needs shall be allowed in exceptional circumstances, stipulated by the legislative acts of the Republic of Kazakhstan.

2. Under nationalization an investor shall be fully compensated for damages inflicted on him as a result of the publication of legislative acts of the Republic of Kazakhstan on nationalization.

3. Seizure of the property of an investor shall be carried out with repayment to him the market price of the property.

The market price of the property shall be specified in the manner, established by the legislation of the Republic of Kazakhstan.

4. The assessment, according to which the property owner has been compensated, may be disputed by him in a judicial proceeding.

5. Upon termination of circumstances, due to which the seizure was made, an investor shall have the right to claim the return of the remaining property, but at the same time shall be obliged to return the amount of compensation received by him taking into account the losses due to reduction of the value of property.

9. Dispute resolution

1. Investment disputes may be resolved through negotiations, including those involving experts, or in accordance with dispute resolution procedure previously agreed by the parties.

2. Upon failure to resolve investment disputes in accordance with the provisions of paragraph 1 of this article, the resolution of disputes shall be made in accordance with the international treaties and legislative acts of the Republic of Kazakhstan in courts of the Republic of Kazakhstan, as well as in international arbitration courts, specified by the agreement of the parties.

3. Disputes, not specified as the investment disputes, shall be resolved in accordance with the legislation of the Republic of Kazakhstan.

10. Transfer of rights of an investor to another person

To the extent that a foreign country or a state agency authorized by this country makes payments in favor of the investor under guarantee (insurance agreement), provided to him in regards to the investments, effected in the territory of the Republic of Kazakhstan, and this foreign country or a state agency authorized by this country receives the rights (claims are assigned) of investor to the specified investments, such transfer of the rights (assignment of a claim) in the Republic of Kazakhstan shall be

recognized as legally valid only to the extent of the effectuation of the investments by an investor in the Republic of Kazakhstan and (or) fulfillment of certain contractual obligations by this investor.

Chapter 3. STATE SUPPORT OF INVESTMENTS

11. The purpose of the state support of investments

1. The purpose of the state support of investments is the creation of favorable investment climate for the development of economy and stimulation of investments to the creation of the new, expansion and renovation of the existing industries with application of modern technologies, professional development of Kazakhstan personnel, as well as the protection of the environment.

2. The state support consists of the granting of investment preferences.

Footnote. Article 11 was amended by the Law of the Republic of Kazakhstan, dated 04.05. 2005 N 48.

12. Authorized body

1. The state support of investments shall be carried out by an authorized body, specified by the Government of the Republic of Kazakhstan.

2. The authorized body within its competence and for the purposes of fulfillment of its tasks shall have the right to involve professionals of appropriate state agencies, consultants and experts among individuals and legal entities of the Republic of Kazakhstan.

3. The activity of the authorized body shall be governed by the Statute, approved by the Government of the Republic of Kazakhstan.

13. Types of investment preferences

In accordance with this Law through entering into an investment contract with the authorized body the following investment preferences shall be granted:

1) *(excluded in accordance with the Law of the Republic of Kazakhstan dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009));*

2) exemption from customs duties;

3) state natural grants;

4) benefits on land tax and property tax in the manner, stipulated by the tax legislation of the Republic of Kazakhstan for legal entities, implementing investment strategic projects;

5) industrial benefits for legal entities, implementing investment strategic projects in localities with low level of social and economic development.

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009); dated 09.01.2012 № 535-IV (shall be enforced upon expiry of ten calendar days after its first official publication

); dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

14. The procedure for granting of investment preferences

1. Investment preferences shall be granted according to lists of priority activities, at the level of the classes of general classifier of economic activity types or to the list of investment strategic projects, approved by the Government of the Republic of Kazakhstan.

2. *Excluded in accordance with the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).*

3. *Excluded in accordance with the Law of the Republic of Kazakhstan dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009).*

4. Investment preferences shall be granted through the conclusion of an investment contract with a legal entity of the Republic of Kazakhstan performing the implementation of an investment project or an investment strategic project.

Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 04.05.2005. N 48; dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009); dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

15. Terms of granting investment preferences

Investment preferences shall be granted subject to:

1) compliance of investment activity with the lists of priority activities, at the level of the classes of general classifier of economic activity or to the list of investment strategic projects;

2) *(excluded in accordance with the Law of the Republic of Kazakhstan dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009));*

3) submission of the required documents, listed in article 19 of this Law, certifying the existence of financial, technical and organizational capacities of a legal entity of the Republic of Kazakhstan submitted the application for implementation of an investment project or an investment strategic project.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 04.05.2005. N 48; dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009); dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

16. Investment tax preferences

Footnote. Article 16 was excluded in accordance with the Law of the Republic of Kazakhstan dated 10.12.2008 N 101-IV (shall be enforced from 01.01.2009).

17. Exemption from customs duties

1. A legal entity of the Republic of Kazakhstan implementing an investment project or an investment strategic project under an investment contract, shall be exempted from customs duties due to the import of technological equipment, its component and spare parts, raw materials and (or) materials in accordance with the legislation of the Customs Union and (or) legislation of the Republic of Kazakhstan.

2. The exemption from customs duties due to the import of technological equipment and its component parts shall be provided for the period of an investment contract but not exceeding 5 years from the date of registration of an investment contract.

3. The exemption from customs duties due to the import of spare parts for technological equipment, raw materials and (or) materials for the period of 5 years shall be provided to the legal entities of the Republic of Kazakhstan depending on the amount of investments to fixed assets and in case of compliance of the investment project with the list of priority types activities, approved by the Government of the Republic of Kazakhstan at the level of classes of the general classifier of economic activity types. This list of priority types of activities may be revised not more than once a year.

The exemption from customs duties shall be provided for the period of an investment contract, but not exceeding 5 years from the date of commissioning of the fixed assets under the work program. Should the work program provide the commissioning of two and more fixed assets, the calculation of the period of the exemption from payment of customs duties for the import of spare parts for technological equipment, raw materials and (or) materials shall be accounted from the date when the first fixed asset under the work program has been commissioned.

4. Notification on the decision, adopted in accordance with paragraph 2 of this article shall be directed by an authorized body to the customs agency within five working days.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

18. State natural grants

1. The state natural grants in the manner, established by this Law, shall be granted by an authorized body upon the agreement with the appropriate authorized bodies of state property and (or) land resources management, as well as local executive bodies for temporary uncompensated use with subsequent uncompensated transfer to ownership or for land use in case of fulfillment of investment obligations in accordance with an investment contract.

The grounds for uncompensated transfer to ownership or to land use shall be the decision of an authorized body. The decision of an authorized body shall be made upon the expiry of the period of an investment contract in case of fulfillment of investment

obligations in accordance with an investment contract, concluded between an investor and the authorized body.

2. In capacity of the state natural grants the following may be transferred: land plots, buildings, facilities, machines and equipment, computer technology, measuring and control devices and equipment, means of transport (except for automobiles), production and household inventory.

3. The assessment of state natural grants shall be made at their market value in accordance with the procedure, established by legislation of the Republic of Kazakhstan.

4. Maximum size of the state natural grant amounts to not more than thirty percent of the amount of investments to the fixed assets of a legal entity of the Republic of Kazakhstan.

To the extent that the assessed amount of the demanded state natural grant exceeds the specified maximum size, then the legal entity of the Republic of Kazakhstan shall have the right to receive the demanded property with payment of the difference between its assessed amount and maximum size of the state natural grant.

Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 04.05.2005 N 48; dated 31.01.2006 N 125; dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

18-1. Land tax and property tax benefits in the manner, established by the tax legislation of the Republic of Kazakhstan for legal entity (legal entities) implementing an investment strategic projects

1. A legal entity, implementing an investment strategic project can claim land tax and property tax benefits in the manner, established by the tax legislation of the Republic of Kazakhstan.

2. An investment project, in order to be included into the list of investment strategic projects, should be aimed at the production of goods with high added value (higher processing and reprocessing), to comply with priority types of activities, as well as to meet one of the following criteria:

1) an investment project should be aimed to the production of goods included into the list of activities on manufacturing of high technology products, approved by the Government of the Republic of Kazakhstan;

2) The investment amount of an investment project should be amounted to not less than five million fold of a monthly calculation index, established for the corresponding financial year by the law on republican budget.

3. The procedure of inclusion of investment projects to the list of investment strategic projects shall be approved by the Government of the Republic of Kazakhstan.

Footnote. Chapter 3 was supplemented by 18-1 in accordance with the Law of the Republic of Kazakhstan dated 09.01.2012 № 535-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

18-2. Industrial benefits for legal entities, implementing investment strategic projects in localities with low level of social and economic development

1. Granting of industrial benefits to legal entities, implementing investment strategic projects in localities with low level of social and economic development, consist of compensation or disbursement of a portion of the costs of a legal entity implementing investment strategic projects in localities with low level of social and economic development on the following types of costs for:

- 1) gas;
- 2) electricity;
- 3) purchase of a land plot;
- 4) purchase (construction) of buildings, facilities.

2. The procedure of granting of industrial benefits to legal entities, implementing investment strategic projects in localities with low level of social and economic development, shall be specified by the legislation of the Government of the Republic of Kazakhstan.

The list of localities with low level of social and economic development shall be approved by the Government of the Republic of Kazakhstan.

Footnote. Chapter 3 was supplemented by 18-2 in accordance with the Law of the Republic of Kazakhstan dated 09.01.2012 № 535-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

19. Requirements to the application for the granting of investment preferences

The application for the granting of investment preferences shall be accepted and registered in form, established by the authorized body subject to the existence of:

- 1) the certificate of state registration (re-registration) of a legal entity;
- 2) *excluded in accordance with the Law of the Republic of Kazakhstan dated 19.03.2010 № 258-IV;*
- 3) copies of the charter of a legal entity, certified by the signature of the director and the seal of a legal entity;
- 4) business-plan of an investment project or investment strategic project, composed in accordance with the requirements, set forth by the authorized body;
- 5) copies of documents, the list of which shall be established by the legislation of the Republic of Kazakhstan, justifying the estimated cost of construction and installation works and the costs of the purchase of fixed assets, raw materials and (or) materials, used in implementation of an investment project or investment strategic project, certified by the signature of the director and the seal of a legal entity;

6) copies of documents, establishing the sources and guarantees of financing of an investment project or investment strategic project, certified by the signature of the director and the seal of a legal entity. To the extent that financing of an investment project or investment strategic project from own funds, a confirmation of the availability of such funds in writing shall be enclosed;

7) documents, confirming the size (cost) of the state natural grant, demanded by the legal entity of the Republic of Kazakhstan submitted the application, and preliminary coordination of its granting;

8) *excluded in accordance with the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV* (shall be enforced from the first day of its official publication).

9) certificates of the tax body from the place of registration on the tax clearance, the absence of arrears on obligatory pension contributions and social deductions.

Footnote. Article 19 as amended by the Law of the Republic of Kazakhstan dated 04.05.2005 N 48; dated 19.03.2010 № 258-IV; dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication); dated 10.07.2012 № 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.12.2012 № 60-V (shall be enforced upon expiry of ten calendar days after its first official publication).

20. Duration of consideration of applications for granting of investment preferences

1. The application for granting of investment preferences shall be submitted for consideration to the authorized body, which in accordance with the requirements of article 15 of this Law shall take a decision on granting investment preferences and shall forward to the applicant a reply in writing within ten working days upon the registration of the application.

2. The procedure of acceptance, registration and consideration of an application for granting of investment preferences shall be established by the authorized body.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 04.05.2005 N 48; dated 13.02.2009 N 135-IV (the order of enforcement see article 3).

21. The conclusion of an investment contract

1. The authorized body within ten working days upon the deciding on granting of investment preferences shall prepare for signing an investment contract subject to the provisions of a model contract.

2. An investment contract shall be registered by the authorized body within five working days upon signing and shall be enforced from the date of registration.

3. The duration of an investment contract shall be specified by the duration of investment preferences. The date of completion of works on the work program should be no later than nine months prior to the completion of the duration of an investment contract.

Footnote. Article 21 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

21-1. Control over of the terms of investment contracts

1. Control over of the compliance with the terms of investment contracts shall be performed by the authorized body as follows:

1) in-house audit – a control, performed by the authorized body on the basis of examination and analysis of the reports, provided in accordance with paragraph 2 of this article;

2) by attendance of the object of investment activity, including those with consideration of documents concerning the fulfillment of the work program and the terms of an investment contract.

2. A legal entity of the Republic of Kazakhstan, upon conclusion of an investment contract, shall provide in form, set forth by the authorized body, a semiannual reports on fulfillment of an investment contract no later than the twenty fifth of July and the twenty fifth of January with decoding of the cost articles, stipulated by the work program, attaching with documents, confirming the commissioning of fixed assets, supply and use of spare parts to technological equipment, raw materials and (or) materials.

3. Amendments to work program can be made upon the agreement of the parties once a year.

4. Verification with the attendance of the object of an investment activity shall be carried out:

1) within the period of six months which expires three months prior to the termination of an investment contract upon the condition of completion of the work program;

2) annually, commencing from the year, next to the year when the import of spare parts for technological equipment, raw material and (or) materials exempted from customs duties, has been effected.

5. By results of the verification a representative of the authorized body and the director of a legal entity, concluded an investment contract, shall sign the act of current state of fulfillment of a work program of an investment project, in the form, established by the authorized body.

6. In case of failure to perform or improper performance of a work program of an investment contract the authorized body shall forward to the legal entity of the Republic of Kazakhstan, concluded an investment contract, a communication in writing, with specification of defaults and establishes a two months period for remedial actions.

7. To the extent that on results of verification, held by the authorized body, it will be revealed that technological equipment, its component and spare parts, raw materials

and (or) materials, imported for implementation of an investment project, and exempted from customs duties, have not been commissioned or used, the legal entity of the Republic of Kazakhstan, hasn't paid the amount of customs duties due to the granted investment preferences, shall pay them in the part of undrawn technological equipment, its component and spare parts, raw materials and (or) materials with penalties, applied in the procedure, established by the legislation of the Republic of Kazakhstan.

8. Information on termination of an investment contract for the purposes of the protection of economic interests of the state shall be forwarded:

1) to tax agencies, customs agencies and where required to other state agencies for appropriate actions;

2) on investment contracts, under which the state natural grant is provided, to tax agencies, customs agencies, authorized bodies for state property and (or) land management, as well as to local executive bodies.

9. A legal entity of the Republic of Kazakhstan, concluded an investment contract, within the period of an investment contract shall not have the right:

1) to alter designated purpose of the provided state natural grant, as well as of the property, purchased in accordance with a work program;

2) to alienate the provided state natural grant, as well as of the property, purchased in accordance with a work program.

10. Control over the designated use of the objects of exemption from customs duties shall be carried out in the manner, specified by the Customs Union Commission.

Footnote. Article 21-1 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

22. Conditions of termination of an investment contract

1. The effect of investment preferences shall be terminated upon the expiry of an investment contract or can be terminated prior to expiry of such contract, in the manner , specified by this article.

2. The effect of an investment contract can be terminated before expiry:

1) upon the agreement of the parties;

2) unilaterally;

3. The authorized body shall have the right to terminate an investment contract unilaterally, upon the expiry of two months upon the date of notification in writing of a legal entity of the Republic of Kazakhstan, entered into an investment agreement, to the following extent of:

1) revealing perversion and (or) non-disclosure of information, submitted by the applicant and influenced on decision on granting investment preferences;

2) failure of a legal entity of the Republic of Kazakhstan, entered into an investment agreement, to fulfill its obligations on investment contract;

3) revealing perversion and (or) non-disclosure of information in reporting, submitted by a legal entity of the Republic of Kazakhstan in accordance with paragraph 1 of article 21-1 of this Law.

In these cases, the specified legal entity shall pay the amounts of taxes and customs duties, not paid due to the investment preferences granted under an investment contract

4. Upon the early termination of an investment contract by initiative of a legal entity of the Republic of Kazakhstan, entered into an investment contract, the legal entity unilaterally shall pay the amounts of taxes and customs duties not paid due to the investment preferences granted under an investment contract, with penalties, in the manner, established by the legislation of the Republic of Kazakhstan.

5. Upon the early termination of an investment contract upon the agreement between the parties, a legal entity of the Republic of Kazakhstan, entered into an investment contract, the legal entity unilaterally shall pay the amounts of taxes and customs duties not paid due to the investment preferences granted under an investment contract.

6. Upon the early termination of an investment contract, a legal entity of the Republic of Kazakhstan entered into an investment contract, shall return the property in kind, which has been provided to him as the state natural grant, or its primary value on the date of transfer in accordance with the terms of in investment contract.

7. Return of the state natural grant shall be carried out by a legal entity of the Republic of Kazakhstan, entered into an investment contract, within thirty calendar days upon the decision of the authorized body on early termination of an investment contract is made.

Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

Chapter 4. FINAL PROVISIONS

23. Stability of investment contracts

1. Benefits, granted on the basis of investment contracts, concluded with the authorized body prior to the enforcement of this Law shall preserve their effect until the expiry of the period, specified in these investment contracts.

2. Norms of paragraph 2 of article 21-1, paragraphs 3, 4 and 5 of article 22 of this Law concerning payment of the amounts of taxes shall be valid for investment contracts, concluded with the authorized body before the 1st of January 2009.

Footnote. Article 23 as amended by the Law of the Republic of Kazakhstan dated 20.02.2012 № 567-IV (shall be enforced from the first day of its official publication).

24. Concerning the Annulment of some legislative acts of the Republic of Kazakhstan

To declare to be no longer in force the following legislative acts of the Republic of Kazakhstan:

1) The Law of the Republic of Kazakhstan dated 27.12.1994 "On foreign investments" (Bulletin of the Supreme Council of the Republic of Kazakhstan, 1994, N 23-24, article 280; 1995, article N 20, 120; Bulletin of the Parliament of the Republic of Kazakhstan, 1996, N 14, article 274; 1997, N 11, article 143; N 13-14, article 205; N 17-18, article 218; 1998, N 5-6, article 50; 1999, N 21, article 786; 2000, N 10, article 244);

2) The Decree of the Supreme Council of the Republic of Kazakhstan dated 27.12.1994 "On the procedure of enforcement of the Law of the Republic of Kazakhstan "On foreign investments" (Bulletin of the Supreme Council of the Republic of Kazakhstan, 1994, N 23-24, article 281; 1995, N 1-2, article 15);

3) The Law of the Republic of Kazakhstan dated 28.02.1997 "On the state support of direct investments" (Bulletin of the Parliament of the Republic of Kazakhstan, 1997, N 4, article 50; 1999, N 21, article 786).

T h e
of the Republic of Kazakhstan

P r e s i d e n t