



## **On special economic zones in the Republic of Kazakhstan**

### *Invalidated Unofficial translation*

Law of the Republic of Kazakhstan dated 21 July 2011 No 469-IV.

Unofficial translation

**Footnote. Became invalid by the Law of the Republic of Kazakhstan dated 03.04.2019 No. 242-VI (to be put into effect after ten calendar days after the date of its first official publication).**

Note of the RCLI!

See Article 33 of this Law for the enactment procedure.

This Law regulates social relations arising under the creation, operation and abolition of special economic zones in the territory of the Republic of Kazakhstan.

## **Chapter 1. GENERAL PROVISIONS**

### **Article 1. Main definitions, used in this Law**

The following main definitions shall be used in this Law:

1) special economic zone - a territory of the Republic of Kazakhstan with exactly marked borders, on which a special legal regime shall be organized to carry out priority activities;

2) the management body of special economic zone is a management company, a state institution of local executive body of the capital or an autonomous cluster fund;

3) the unified register of the special economic zone participants - the register of participants of all special economic zones, created in the territory of the Republic of Kazakhstan, and maintained by an authorized body;

4) special legal regime of the special economic zone - a combination of operation terms and conditions of the special economic zone according to this Law, the tax, customs, land legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on the employment of population;

4-1) the potential participant of special economic zone is a legal entity interested in the implementation of the project;

4-2) the project of potential participant of special economic zone, an applicant, a participant of special economic zone (hereinafter the project) is a set of measures providing for creation of modern high-performance, competitive productions for the implementation of priority activities;

5) participant of the special economic zone - a legal entity, carrying out priority activities in the territory of a special economic zone which shall be included in the unified register of the special economic zone participants;

6) managing company - a legal entity established under this Law, in the legal status of a joint-stock company, to ensure operation of the special economic zone;

7) "one stop" principle - a form of rendering public services in the territory of the special economic zone, providing minimization of the involvement of applicants in collection and preparation of documents and limitation of their immediate contact with the entities, rendering public services;

8) infrastructure facilities means immovable property, forming the part of heat and electric power production and transmission systems, water and gas supply, sewage, transport communications, communication services and other facilities in accordance with the special economic zone feasibility study and the approved master plan;

9) agreement for carrying-out activities in capacity of a special economic zone participant (hereinafter referred to as the agreement of carrying-out activities) - the agreement entered into by a special economic zone participant or several special economic zone participants and the regulatory agency of the special economic zone, specifying types of activity of the special economic zone participant or several special economic zone participants in the territory of the special economic zone, conditions of carrying-out such activity, rights, obligation and liabilities of the parties;

9-1) The unified coordination center for special economic zones in the Republic of Kazakhstan (hereinafter coordination center) is a legal entity which tasks are the development, promotion and enhancement of investment attractiveness of special economic zones;

10) priority activities means the activities, consistent with the objectives of the creation of a special economic zone, with the special legal regime of the special economic zone;

11) ancillary activities means the activities, required for the support of the activities of the participants of the special economic zone, carried out by the persons, not participants of the special economic zone, in its territory;

12) entities, carrying out ancillary activities, are individual entrepreneurs or legal entities, which are not covered by the special legal regime of the special economic zone, carrying out ancillary activities in the territory of the special economic zone in accordance with this Law;

13) critical level of non-achievement of target indicators - a scope of economic, technical, social and (or) other indicators of operation of the special economic zone, non-achievement of which prevents implementation of the main targets of the special economic zone creation;

14) an applicant - the entity, filing application to the regulatory agency of the special economic zone for carrying out priority or ancillary activities;

15) expert council – is an interdepartmental advisory and deliberative body set up by the authorized body to consider the issue of expediency of creating or abolishing the special economic zone;

16) authorized body - the central executive agency, carrying out state regulation concerning the creation, operation and abolition of special economic zones.

**Footnote. Article 1 as amended by Laws of the Republic of Kazakhstan № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Article 2. Legislation of the Republic of Kazakhstan about special economic zones**

1. The legislation of the Republic of Kazakhstan in special economic zones shall be based on the Constitution of the Republic of Kazakhstan and this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If the international treaty, ratified by the Republic of Kazakhstan, establishes the rules other than those that are specified in this Law, then the rules of the international treaty shall be applied.

## **Article 3. Purposes of the creation of the special economic zone**

The special economic zone shall be created for the purposes of accelerated development of advanced highly productive, competitive productions, attraction of investments, new technologies in the economy sector as well as increasing the employment of population.

## **Chapter 2. STATE REGULATION OF THE CREATION, OPERATION AND ABOLITION OF THE SPECIAL ECONOMIC ZONE**

### **Article 4. Competence of the Government of the Republic of Kazakhstan**

The competence of the Government of the Republic of Kazakhstan shall include:

1) development of guidelines of the state policy in the creation and operation of special economic zones;

2) approval of regulatory legal acts, regulating the activity of special economic zones;

2-1) definition of a unified coordination center;

3) appointment of the authorized body;

- 4) creation or abolition of a special economic zone;
- 5) adoption of the decision of the creation of a managing company;
- 6) participation in the managing company;

7) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 ( shall be enforced upon expiry of ten calendar days after the day of its first official publication);

8) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 ( shall be enforced upon expiry of ten calendar days after the day of its first official publication);

8-1) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

8-2) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

9) performance of other functions, imposed by the Constitution, this Law, other laws of the Republic of Kazakhstan and Acts of the President of the Republic of Kazakhstan.

Footnote. Article 4 as amended by Law of the Republic of Kazakhstan No 79-V dated 18.02.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 239-V dated 29.09.2014 ( shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 86-VI dated 03.07.2017 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## **Article 5. Competence of the authorized body**

The competence of the authorized body shall include:

1) implementation of the state policy in the sphere of creation and operation of the special economic zones;

2) carrying out of coordination of the activity of state agencies and managing companies in the sphere of creation, operation and abolition of the special economic zones, except for the special economic zone "Astana – the new city";

3) the development of regulatory legal acts, regulating the activities of special economic zones;

4) the development and the approval of an application form and a questionnaire for registration as a participant of the special economic zone;

5) approval of standard contracts for the implementation of activities;

6) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

7) keeping the unified register of the special economic zone participants based on the data, provided by the management bodies of the special economic zones;

8) approval of the requirements for the establishing special economic zone feasibility study;

8-1) approval of the provision on the expert council;

8-2) development and approval of a standard contract for temporary compensated use (lease) of land plots in private ownership, where a special economic zone is created ;

8-3) development and approval of a standard contract for temporary compensated secondary use (sublease) of land plots in private ownership, where a special economic zone is created;

8-4) development and approval of a standard contract for temporary compensated land use (lease) of land plots in state ownership, where a special economic zone is created;

8-5) development and approval of a standard contract for temporary compensated secondary land use (sublease) of land plots in state ownership where a special economic zone is created;

9) submission of a proposal about the creation or abolition of the special economic zone to the Government of the Republic of Kazakhstan;

10) establishment of the procedure and periodicity of the presentation of accounts by the regulatory agency of the special economic zone;

11) is excluded by Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

12) annual submission of analytical information on the results of the special economic zones activities to the Administration of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan;

12-1) development and approval of order and criteria for project selection;

12-2) development and approval of a method for assessing the performance of special economic zones in consultation with the central authorized body for state planning;

13) carrying out of other powers, stipulated by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 5 as amended by Laws of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of

its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## **Article 6. Competence of local executive agencies of a region, the city of national status, the capital city**

1. The competence of local executive agencies of a region, the city of national status, the capital shall include:

1) implementation of the state policy in the sphere of operation of special economic zones;

2) submission of a proposal to establish the special economic zone to the authorized body;

3) participation in the managing company according to the procedure prescribed by this Law;

4) the provision of a land plot for the placement of special economic zone in accordance with the procedure established by the land legislation of the Republic of Kazakhstan and conclusion of land lease contracts and infrastructure facilities built at the expense of budgetary funds with the management company, an autonomous cluster fund;

4-1) attraction of participants of special economic zone for taking part in the activities of special economic zone;

4-2) monitoring compliance with the terms of performance contracts, as well as analyzing monitoring data; 5) exercise of other powers, assigned to local executive agencies by the laws of the Republic of Kazakhstan for the benefit of local state administration.

2. The competency of the local executive agency of the capital additionally includes:

1) provision of coordination of state agencies and the managing body of the special economic zone in operation and abolition of the special economic zone;

2) attraction of the participants of the special economic zone "Astana – the new city";

3) maintaining records of the participants of the special economic zone "Astana – the new city".

4) monitoring compliance with the terms of performance contracts, as well as analyzing monitoring data.

**Footnote. Article 6 as amended by Laws of the Republic of Kazakhstan № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Chapter 3. CREATION, OPERATION AND ABOLITION OF THE SPECIAL ECONOMIC ZONE**

#### **Article 7. The procedure for creating special economic zone, changing the boundaries and (or) the area of special economic zone**

**Footnote. Title of Article 7 in the new wording of Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

1. The proposal to establish the special economic zone shall be submitted to the authorized body by central or local executive authorities, legal entities, interested in the creation of the special economic zone, with the presentation of a concept of the creation of the special economic zone, registered in accordance with the requirements, approved by the Government of the Republic of Kazakhstan.

The proposal may be submitted jointly by several legal entities.

The concept of the creation of the special economic zone should provide the purposes of the creation, place of locality, priority activities, information about potential participants of the special economic zone, analysis of current economic situation of consistent region, and projected influence on the economy from the creation of the special economic zone.

2. The authorized body examines the feasibility and verify the concept of establishing special economic zone for compliance with the requirements approved by the authorized body and send a written substantiated reply to the applicant on the decision taken within five working days from the date of the proposal for the establishment of special economic zone.

Upon meeting the concept of creating special economic zone the specified requirements, the proposal on the establishment of special economic zone should be sent by the authorized body to the expert council for consideration within five working days from the date of its introduction, which is created from the date of proposal adoption to establish special economic zone to the authorized body.

The membership of the expert council is approved taking into account the specific nature of the activity of special economic zone being created.

The Expert council prepares the conclusion on creating special economic zone by the authorized body within a period of not less than twenty working days from the date of the proposal.

3. The authorized body within three working days upon making the consistent decision shall notify the person, submitted the proposal to establish the special economic zone, with the foundation of making such decision.

4. The authorized body shall reject the proposal to create the special economic zone in cases of:

- 1) inexpediency of the creation of the special economic zone;
- 2) inconsistency of the proposal to establish the special economic zone with the priorities of economic policy;
- 3) deficiency or unreliability of the submitted materials;
- 4) inconsistency of the proposal with the requirements of the environmental defense;
- 5) necessity of the defense of conservation areas, life and health of people, the threat of destruction and damage of the objects of historical and cultural heritage and national security protection of the country.

Rejection of the proposal to create the special economic zone shall not be an obstacle for further submission with the proposal to establish the special economic zone.

5. Within six months upon the receipt of notice of expediency of the creation of the special economic zone the persons, having submitted the proposal to establish the special economic zone, shall provide the preparation of feasibility study of the established special economic zone with the environmental impact assessment.

The prepared feasibility study should contain projected financial - economic, social consequences, the foundation, the expediency and the assessment of the result of the creation of the special economic zone.

The feasibility study should comply with the following criteria:

- 1) expediency means compliance of the activities, provided in the feasibility report, with strategy documents;
- 2) relevance means the presence of evidence, supported by calculations, of the amount of financing for the implementation of activities in terms of each component;
- 3) Efficiency means adequacy of evidence substantiated by calculations confirming the possibility to obtain direct final result.

In the event of submission of the proposal to establish the special economic zone, central or local executive bodies shall allocate budget funds for conducting of the feasibility study in accordance with the fiscal legislation of the Republic of Kazakhstan

6. The authorized body shall send the feasibility study of the special economic zone to be created to the concerned state agencies for conducting of the respective assessments under the legislation of the Republic of Kazakhstan. Investors shall hold an independent assessment of the feasibility study.

Performance of expertise of the feasibility study of the special economic zone to be created shall be completed by state agencies within forty five calendar days after submission of the feasibility study to the authorized body.

7. The authorized body submits a proposal for the establishment of special economic zone with the application of the concept of relevant feasibility study for the



establishment of special economic zone with an environmental impact assessment to the Government of the Republic of Kazakhstan within thirty calendar days after the receipt of expert opinion on the feasibility study.

8. The decision on the establishment of special economic zone and activities conforming to the goals of special economic zone being established is adopted by the Government of the Republic of Kazakhstan.

Regulations on special economic zone, target indicators of functioning of relevant special economic zone, critical level of failure to achieve target indicators are approved by the Government of the Republic of Kazakhstan.

9. The proposal to change the boundaries and (or) the area of territory of special economic zone is submitted to the authorized body by central or local executive bodies, legal entities interested in changing the boundaries and (or) the area of special economic zone, providing a justification (financial and economic calculations) changes in the boundaries and (or) the area of special economic zone.

The proposal can be submitted jointly by several legal entities.

The matter of expediency of proposal to change the boundaries and (or) the area of territory of special economic zone is considered by the authorized body within fifteen working days from the date of the proposal.

The authorized body rejects the proposal to change the boundaries and (or) the area of special economic zone in the following cases:

1) the discrepancy of the proposal to change the boundaries and (or) the area of special economic zone to the priorities of state economic policy;

2) the discrepancy of the proposal to change the boundaries and (or) the area of special economic zone territory to the requirements in the field of environmental protection;

3) the need to protect specially protected natural areas, life and health of people, the threat of destruction and damage to historical and cultural heritage, ensuring national security of the country;

4) the groundlessness of the proposal for change the boundaries and (or) the area of special economic zone territory.

In case of making a proposal to change the boundaries and (or) the area of territory of special economic zone by central or local executive bodies, the allocation of budget funds for the adjustment of feasibility study is carried out in accordance with the budget legislation of the Republic of Kazakhstan.

The rejection of the proposal to change the boundaries and (or) the area of special economic zone is not an obstacle to the further proposal to change the boundaries and (or) the area of special economic zone.

The persons who have proposed to change the boundaries and (or) the area of special economic zone ensure the adjustment of the feasibility study of the established

special economic zone with an environmental impact assessment within three months from the date of receipt of notification on the advisability of changing the boundaries and (or) the area of the territory of special economic zone.

If necessary, the authorized body sends the adjusted feasibility study of the established special economic zone to the interested state bodies within a period not exceeding fifteen working days from the end of the correction of feasibility study, in order to conduct appropriate expert examinations in accordance with the legislation of the Republic of Kazakhstan. Investors can conduct independent examinations of the feasibility study.

Examination of the adjusted feasibility study of the established special economic zone by state bodies should be completed within no more than forty-five calendar days from the date of the transfer of the adjusted feasibility study to the authorized body.

The authorized body submits a proposal on changing the boundaries and (or) the area of special economic zone with the application of the adjusted feasibility study for the established special economic zone with an assessment of environmental impact to the Government of the Republic of Kazakhstan within ten working days after receiving the expert opinion on the adjusted feasibility study.

The decision to change the boundaries and (or) the area of special economic zone is made by the Government of the Republic of Kazakhstan.

**Footnote. Article 7 as amended by Laws of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 86-VI dated 03.07.2017 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Article 8. Terms and conditions of operation of the special economic zone**

1. Special economic zone shall be created for the period up to twenty five years.
2. Special economic zones shall be created on the land plots, publicly owned and not given to land use, or on the land plots, enforceable alienated from the land plot owners and land users for the State requirements in accordance with the land legislation of the Republic of Kazakhstan.

Special economic zones shall also be created on the land plots, privately-owned by the citizens and (or) non-governmental legal entities.

3. The state-owned land plots where a special economic zone is created for the implementation of priority activities are provided for temporary paid land use (lease) to a participant of special economic zone in accordance with the land legislation of the Republic of Kazakhstan for the period of a special economic zone creation.

Land plots in state ownership where a special economic zone is created, designed for construction of infrastructure facilities, as well as for auxiliary activities, are provided for temporary compensated land use (lease) of the management company, an autonomous cluster fund in accordance with the land legislation of the Republic of Kazakhstan for the period of creation of a special economic zone.

The management company, an autonomous cluster fund shall have the right to transfer the land plots specified in part two of this clause to the persons performing auxiliary activities and / or participants of special economic zone for secondary land use (subletting) in accordance with the land legislation of the Republic of Kazakhstan.

Objects of infrastructure created entirely or partially from budgetary funds on land plots owned by the state, transferred to temporary compensated land use (rent), can be transferred to the management company, the autonomous cluster fund for rent, trust management, as well as to replenish the authorized capital in accordance with the legislation of the Republic of Kazakhstan on joint stock companies and state property.

Infrastructure facilities created entirely or partially at the expense of budgetary funds on land plots owned by the state transferred to secondary land use (sublease) may be transferred to the persons administering auxiliary activities and / or participants of special economic zone of the management company by an autonomous cluster fund.

4. Land plots, where the special economic zone is created, should be provided with infrastructure facilities at the account of budgetary funds and (or) other not prohibited by the Laws of the Republic of Kazakhstan sources in accordance with the Feasibility study of the special economic zone.

The procedure of financing the construction or reconstruction of infrastructure facilities at the account of budgetary funds shall be carried out in accordance with the budgetary legislation of the Republic of Kazakhstan.

Participants of the special economic zone or the entities, carrying out ancillary activities, shall have the right to carry out the construction of the infrastructure facilities required for them at their own expenses on the territory of the land plot, transferred to them for temporary use of land for a fee (lease) or to the secondary use of land (sublease).

4-1. Land plots being in private ownership, where a special economic zone is created, intended for the implementation of priority and (or) auxiliary activities, may be transferred by their owners to the management company for temporary paid use (lease) in accordance with the contract for temporary reimbursable use (lease) land plots in private ownership where a special economic zone is created.

The management company has the right to transfer the privately owned land plots where a special economic zone is created for the implementation of priority and (or) auxiliary activities to temporary reimbursable secondary use (sublease) to participants in special economic zone or to persons engaged in auxiliary activities, in accordance

with the contract for temporary reimbursable secondary use (sublease) of land plots that are privately owned on which a special economic zone is created.

Contracts for temporary paid use (lease) of privately owned land plots where a special economic zone is created and temporary reimbursable secondary use (sublease) of privately owned land plots where a special economic zone is created are concluded in accordance with standard contracts of temporary paid use (lease) of land plots, privately owned, where a special economic zone is created, and temporary reimbursable secondary use (sublease) of privately owned land plots where a special economic zone is created, respectively.

The terms of temporary paid use (lease) agreements for privately owned land plots where a special economic zone is created and temporary reimbursable secondary use (sublease) of privately owned land plots where a special economic zone is created should not exceed the term of creating a special economic zone.

The owner of a land plot has the right to carry out activities on the territory of a special economic zone as a participant of a special economic zone or a person performing auxiliary activities in accordance with the requirements of this Law. At the same time, the contract of temporary paid use (lease) of land plots in private ownership, where a special economic zone is created, is not concluded with the owner of the land plot.

5. Provisions of the paragraphs 2, 3 and 4 of this Article do not apply to privately-owned land plots of the participants of the special economic zones, established prior to the implementation of this Law.

6. The “one-stop” principle shall apply in the territory of the special economic zones, providing:

- 1) prompt and high-quality provision of state services;
- 2) rendering of information assistance for provided state services.

7. Provision of public services on a "one- window" principle is carried out on the territory of a special economic zone by the State Corporation "Government for Citizens" in accordance with the legislation of the Republic of Kazakhstan.

The state corporation "Government for Citizens" on the territory of special economic zone is provided with necessary infrastructure facilities for placement and functioning in accordance with paragraph 4 of this article.

**Footnote. Article 8, as amended by Law of the Republic of Kazakhstan No 79-V dated 18.02.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 408-V dated 17.11.2015 (shall be enforced from 01.03.2016).**

## **Article 9. Requirements for applicants**

1. The applicant, submitting the application to carry out activity in capacity of a participant of the special economic zone, must have financial security in the amount, corresponding to the feasibility report.

Financial security of the applicant to carry out activity in capacity of a participant of the special economic zone shall be formed as follows:

- 1) money;
- 2) bank guarantee;
- 3) guarantee;
- 4) pledge of property;
- 5) Insurance agreement.

The applicant, submitting the application to carry out activity in capacity of a participant of the special economic zone shall have the right to choose any of the means of financial security, including combination of two or more means.

2. The following entities shall not be applicable to the applicants:

- 1) subsoil users;
- 2) organizations, producing excisable goods except for the organizations, carrying out the production, assembly (integration) of excisable goods, specified in sub-paragraph 6), Article 279 of the Code of the Republic of Kazakhstan "On taxes and other compulsory budgetary payments" (Tax code);
- 3) organizations, working under special tax treatment;
- 4) organizations using (used) investment tax preferences provided for before the entry into force of the Code of the Republic of Kazakhstan of December 10, 2008 "On Taxes and Other Mandatory Payments to the Budget" (Tax Code) ";
- 4-1) organizations realizing (realized) an investment priority project and an investment strategic project in accordance with the legislation of the Republic of Kazakhstan on investments;
- 5) gambling business organizations.

**Footnote. Article 9, as amended by Law of the Republic of Kazakhstan No 79-V dated 18.02.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 151-V dated 03.12.2013 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

**Article 10. Documents, submitted by the applicant for carrying out the activity in special economic zones in the capacity of a special economic zone participant and inclusion in the unified register of the special economic zone participants**

1. The activity of the participant of special economic zone shall be performed in accordance with the agreement on carrying out the activity.

2. Application shall enclose the following documents in hard or soft copy:

1) applicants questionnaire in the form, approved by the authorized body;

2) certificate of state registration (re-registration) of the legal entity;

3) a copy of an identity document of the first head of the applicant;

4) a copy of a document with an identification number;

5) a copy of the charter of the legal entity;

6) a copy of the decision of the supreme body of the legal entity on implementation of activities on the territory of special economic zone;

7) a copy of financial reports as of the last reporting date signed by the chief executive officer of the applicant or a person substituting his/her, as well as the chief accountant (accountant);

8) feasibility study of the project meeting the requirements established by the authorized body;

9) a statement of the servicing bank on the financial motion at the applicant's bank accounts (on the absence of the files) and credit report from the credit bureau containing complete or partial information from the credit history;

10) a certificate from the state revenue office at the place of registration on existence or absence of tax arrears and other mandatory payments to the budget;

11) documents, confirming the availability of the applicant's financial provision.

If a legal entity is not a resident of the Republic of Kazakhstan at the time of filing the documents and is not registered as a taxpayer of the Republic of Kazakhstan, a copy of the certificate on the absence of state registration as a taxpayer in the state revenue bodies of the Republic of Kazakhstan is provided.

Foreign legal entities shall submit legalized documents as specified in sub-clauses 2), 5) and 6) of this clause, legalized extract from the trade register or another legalized document confirming the status of a legal entity in a foreign country under the legislation of that country along with a notarized translation into Kazakh and Russian.

**3. Is excluded by Law of the Republic of Kazakhstan No 122-VI dated 25.12.2017 (shall be enforced from 01.01.2018).**

**Footnote. Article 10 as amended by Law of the Republic of Kazakhstan No 538-IV dated 12.01.2012 (shall be enforced from 01.01.2012); No 60-V dated 24.12.2012 ( shall be enforced upon expiry of ten calendar days after its first official publication); No 79-V dated 18.02.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); No 151-V dated 03.12.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 248-V dated 07.11.2014 ( shall be enforced upon expiry of ten calendar days after the day of its first official**

publication); № 269-V dated 29.12.2014 (shall be enforced from 01.01.2015); No 122-VI dated 25.12.2017 (shall be enforced from 01.01.2018).

#### **Article 11. Procedure of consideration of the application for carrying out activities in capacity of a special economic zone participant**

1. Upon submission of an application, the regulatory agency of the special economic zone shall:

- 1) register the application in the application register on the date of its submission;
- 2) check the completeness of the document package submitted;
- 3) is excluded by Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

1-1. The management body of special economic zone examines the application in accordance with the order and criteria for the selection of projects.

2. The management body of special economic zone refuses the applicant to enter into a contract for the performance of activities in cases of inconsistency of the declared activity with priority activities, criteria for selecting applicants' projects and / or submitted documents to the requirements set forth in paragraphs 2 and 3 of Article 10 of this Law.

3. If the declared type of activity complies with the priority activities and the selection criteria of the applicants' projects, the management body of special economic zone concludes an agreement on the implementation of activities within ten working days.

4. The management body of special economic zone on the day of conclusion of the agreement on the implementation of activities notifies the authorized body about this with a copy of the agreement on the implementation of activities.

After receiving the notification from the management body of special economic zone on the conclusion of a contract for the performance of activities, the authorized body within five working days shall enter information about the participant of special economic zone into a single register of participants of special economic zone and notify the special economic zone management body. The applicant is recognized as a participant of the special economic zone from the date of entry of the relevant note into the single register of participants of the special economic zone.

5. The management body of special economic zone shall notify the state revenue bodies of the agreement on implementation of activities within two business days from the date of conclusion.

6. The state revenue bodies after receiving the notification of the management of a special economic zone on the conclusion of a contract for the performance of activities

register the participant of special economic zone in the manner established by the legislation of the Republic of Kazakhstan.

7. Based on the concluded agreement for carrying out activities special economic zone participant shall cease the activity of its economically autonomous structural subdivisions beyond the special economic zone.

Activities outside the territory of special economic zone, unless otherwise provided by this Law For are allowed for the participants of the special economic zone in the field of information and communication technologies and innovative technologies.

8. Agreement for carrying out activities shall be terminated in the following cases:

- 1) abolition of the special economic zone;
- 2) maturity or early termination of the agreement for carrying out activities;
- 3) other cases, specified by the civil legislation of the Republic of Kazakhstan or agreement for carrying out activities.

The management body of the special economic zone shall notify the state revenue authorities of the termination of the operation agreement no later than five working days from the date of termination of the operation agreement.

**Footnote. Article 11, as amended by Law of the Republic of Kazakhstan No 151-V dated 03.12.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 248-V dated 07.11.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 419-V dated 24.11.2015 (shall be enforced from 01.01.2016); No 122-VI dated 25.12.2017 (shall be enforced from 01.01.2018).**

#### **Article 11-1. The procedure for depriving the participant of special economic zone**

1. The management body of the special economic zone has the right to terminate unilaterally the agreement on the performance of activities in case of failure of the participant of the special economic zone to fulfill the obligations determined by the agreement on the implementation of activities. If the participant of the special economic zone fails to fulfill its obligations, the relevant acts established by the authorized body are drawn up.

The management of special economic zone notifies the participant of the special economic zone of the failure to fulfill the obligations specified in the agreement on the implementation of activities and the need to eliminate the violation within a period of not more than sixty calendar days.



In case of failure to take measures to eliminate the mentioned comments by the participant of the special economic zone, the management of the special economic zone notifies the participant of the special economic zone about the termination of the agreement on the implementation of activities unilaterally at least ten working days before.

2. The management of the special economic zone shall notify the participant of the special economic zone, the state revenue bodies, the authorized body, as well as local executive bodies of the region, cities of the republican significance, the capital on termination of the agreement on implementation of activities unilaterally within two working days from the date of termination.

Local executive bodies of the region, city of republican significance, the capital city after receiving the notice of termination of the agreement on the performance of activities unilaterally terminate unilaterally the contract of temporary compensated land use (lease) granted for temporary compensated land use (lease) to a participant in the special economic zone, in the procedure provided for in such a treaty.

**Footnote. Chapter 3 is supplemented by article 11-1 in accordance with Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Article 12. Requirements for the entities, qualifying for performance of ancillary activities in the territory of the special economic zone**

Entities, qualifying for performance of ancillary activities in the territory of the special economic zone shall meet the following requirements:

- 1) to be a Kazakhstan entity performing works or services;
- 2) an individual entrepreneur and a legal entity must be registered in accordance with the procedure established by the legislation of the Republic of Kazakhstan by the relevant registration authority (justice, state revenue body and statistical body) on the territory of the Republic of Kazakhstan.

In compliance with the above requirements, persons applying for the implementation of auxiliary activities are obliged to conclude an agreement with a participant in the special economic zone in accordance with the established procedure for the performance of certain types of contract works and services.

Auxiliary activities carried out by contractors, by nature of work and services should not coincide with priority activities.

**Footnote. Article 12 as amended by Laws of the Republic of Kazakhstan № 248-V dated 07.11.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Article 13. Documents, to be submitted for admission to perform ancillary activities**

1. Ancillary activities shall be performed in accordance with the contract, concluded with a special economic zone participant.

2. Individual entrepreneurs and legal entities shall submit to the regulatory agency of the special economic zone application for admission as an entity performing ancillary activities within three working days after conclusion of agreement for carrying out activities with special economic zone participants.

3. The application shall be accompanied by documents on paper and (or) electronic media in accordance with the list approved by the authorized body.

**Footnote. Article 13 as amended by Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Article 14. Basis and procedure for the admission to perform ancillary activities**

1. Upon receipt of application for admission as an entity performing ancillary activities, the regulatory agency of the special economic zone shall:

1) verify compliance of the submitted documents with the list of documents approved by the authorized body;

2) register the application in the application register. Registration date is the date of its submission.

2. In case of compliance of the submitted documents with the list of documents approved by the authorized body, the person submitted the application is considered eligible for the implementation of a subsidiary activity on the territory of the special economic zone.

The management body of the special economic zone shall notify the person who filed the application, as well as the state revenue body in the zone where the special economic zone is located, about admission of the person to the auxiliary activity in the special economic zone within three working days from the date of registration of the application.

3. In case of non-compliance of the submitted documents, the list of documents approved by the authorized body, the management of the special economic zone returns the application within three working days from the date of registration of the application. Return of the application does not deprive the person of the right to apply with a repeated application after elimination of the admitted deficiencies.

**Footnote. Article 14 as amended by Laws of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 248-V dated (shall be enforced upon expiry of ten**

calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

#### **Article 15. Rendering of public utility services in the territory of the special economic zone**

Suppliers, providing the territory of the special economic zone with electric and thermal power, gas, water and rendering other public utility services shall grant access to such services, analogous to other users of such services.

#### **16. Abolition of the special economic zone**

1. The special economic zone shall be abolished after the expiry of the term this zone was established. The validity period of the special economic zone is determined by the relevant act of the Government of the Republic of Kazakhstan on the establishment of special economic zone.

2. In the case of a critical level of failure to achieve target indicators, the special economic zone shall be terminated ahead of schedule by the Government of the Republic of Kazakhstan.

3. Upon the abolition of the special economic zone, special economic zone participants and entities engaged in ancillary activities who leased land plots in the territory of special economic zone shall have an option to buy land offered for sale in the manner prescribed by the land legislation of the Republic of Kazakhstan.

**Footnote. Article 16 as amended by Law of the Republic of Kazakhstan № 86-VI dated 03.07.2017 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Chapter 4. MANAGEMENT OF THE SPECIAL ECONOMIC ZONE**

#### **Article 17. Establishment of the regulatory agency of the special economic zone**

1. After the implementation of the act on the establishment of special economic zone by the Government of the Republic of Kazakhstan or the local executive body of the region, a city of national importance, the capital, a decision must be made to establish and (or) participate in the establishment of a special economic zone management body.

2. Establishment of the regulatory agency of the special economic zone of the capital city with regard to the legal form shall be performed in accordance with the legislative acts of the Republic of Kazakhstan.

3. The following entities may become founders of the managing company on their own initiative in case of the creation of the special economic zone:

- 1) Government of the Republic of Kazakhstan;

2) local executive bodies of the oblast, cities of republican significance, capital cities;

3) non-governmental legal entities;

4) foreign legal entities with experience of special economic zone management in other countries or in the Republic of Kazakhstan.

4. In case of creating of a special economic zone on the initiative of central executive bodies or local executive bodies of the region, a city of republican significance, the capital of more than fifty percent of voting shares issued by the management company must belong to the state, unless otherwise stipulated in the act on the creation of a special economic zone.

If a special economic zone is created on the initiative of non-governmental legal entities at least twenty six percent of voting shares emitted by the managing company shall be owned by the state.

5. The first meeting of founders shall be held within thirty calendar days after adoption of the decision of the Government of the Republic of Kazakhstan on participation of the State in the creation of the managing company.

Shares of management companies owned by the state may be transferred to the trust management of a unified coordination center.

6. The regulatory agency of the special economic zone shall be registered at the location of the special economic zone in the manner prescribed by the Laws of the Republic of Kazakhstan on registration of legal entities and record registration of subsidiaries and representative offices.

7. Shareholders elect an independent director from the persons recommended by the National Chamber of Entrepreneurs of the Republic of Kazakhstan as the member of the Board of Directors of management company, who, by position, heads the committee of the board of directors for strategic planning of management company, and an independent director among those recommended by the unified coordination center.

**Footnote. Article 17 as amended by Law of the Republic of Kazakhstan No 130-V dated 04.07.2013 (shall be enforced upon expiry of ten calendar days after its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 86-VI dated 03.07.2017 ( shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

#### **Article 18. The Functions of regulatory agency of the special economic zone**

The functions of the regulatory agency of the special economic zone shall include:

1) interaction with state bodies on issues of activities of special economic zones;

2) granting to the secondary land use or use (sublease) of land plots and leasing (subleasing) of infrastructure facilities to participants in the special economic zone and to persons carrying out auxiliary activities;

3) concluding and termination of agreements for carrying put activities;

4) submission of reports on the results of activities of special economic zones in the manner determined by the authorized body on the basis of annual reports of participants in special economic zones to the authorized body and a unified coordination center;

5) attraction of special economic zone participants;

6) attraction of investments for construction of infrastructure facilities and performance of other special economic zone activity types;

7) construction of infrastructure facilities in accordance with the approved feasibility study on the land plots not leased to special economic zone participants;

8) organization of a reception place for the functioning of State Corporation "Government for Citizens" on the principle of "one window";

9) confirmation of the actual consumption of imported goods during performance of activities corresponding to the objectives of the creation of the special economic zone e;

10) monitoring of implementation of agreements for carrying out activities;

11) elaboration of a plan for the development of special economic zone;

12) development of a marketing strategy for special economic zone;

13) conducting of marketing researches on creation of new industries in special economic zone;

14) carrying out measures to develop and promote special economic zones;

15) provision of information support for potential participants of special economic zones, applicants, participants of special economic zones, including organization of meetings of potential participants of special economic zones, applicants, participants of special economic zones with the representatives of state bodies, associations of private entrepreneurs;

16) attraction of investments for the implementation of industrial-innovative and investment projects in special economic zone;

17) interaction and work with potential participants of special economic zones, applicants, participants of special economic zones on the principle of "one window";

18) provision of communal, logistical and services;

19) participation in public-private partnership projects.

The functions of an autonomous cluster fund are defined by this Law and the Law of the Republic of Kazakhstan "On Innovative Cluster" Park of Innovative Technologies ".

Footnote. Article 18 as amended by Laws of the Republic of Kazakhstan № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 408-V dated 17.11.2015 (shall be enforced from 01.03.2016).

#### **Article 18-1. The legal status of a unified coordination center**

1. The activity of a unified coordination center is regulated by this Law, the legislation of the Republic of Kazakhstan on state property, and on joint-stock companies.

2. The property of a unified coordination center shall be formed in accordance with the legislation of the Republic of Kazakhstan.

3. For effective and stable development of special economic zones in the Republic of Kazakhstan, a unified coordination center has the right to attract and use sources of financing not prohibited by the legislation of the Republic of Kazakhstan.

Footnote. Chapter 4 is supplemented by article 18-1 in accordance with Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

#### **Article 18-2. Powers of a unified coordination center**

The powers of a unified coordination center include:

1) interaction with state bodies, shareholders of management companies, special economic zones management bodies and participants of special economic zones on registration of participants in special economic zones, distribution of land plots of special economic zones, financing and development of special economic zones infrastructure;

2) making proposals to the authorized body on improving the legislation of the Republic of Kazakhstan on special economic zones;

3) trust management of shares of management companies owned by the state;

4) provision of services for the development and promotion of special economic zones in the Republic of Kazakhstan, including:

monitoring of infrastructure facilities condition of special economic zones;

development of recommendations (proposals) for elaboration of plans for the development of special economic zones and criteria for the selection of projects, for planning of financing the management bodies of special economic zones, for elaboration of financing plans (drawing up and consolidating the budget) of special economic zones, for the development and introduction of management models in special economic zones, internal business processes and corporate documents, for

improving the activities of management bodies of special economic zones , for the development of a plan on promotion of special economic zones, for training of management bodies employees of special economic zones;

conducting market analysis and consulting of special economic zones management bodies on the development of marketing strategy of special economic zones;

target marketing;

ensuring the promotion of capabilities of domestic special economic zones to a target group of potential participants in the international market;

assistance in attracting potential industry and infrastructure investors to special economic zones;

provision of information support for the activities of potential participants of special economic zones, including the organization of meetings of potential participants of special economic zones with representatives of state bodies, management bodies of special economic zones, as well as associations of private business entities, holding business forums, exhibitions, conferences and seminars on the topics of special economic zones;

conducting of projects analysis;

monitoring the implementation of the contracts terms for the performance of activities;

assistance in achieving target indicators of strategic documents of the authorized body;

5) other types of activities not prohibited by the legislation of the Republic of Kazakhstan.

**Footnote. Chapter 4 is supplemented by Article 18-2 in accordance with Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

#### **Article 19. Selection of entities to perform management of the managing company**

1. The authorized body shall conduct a competitive selection of persons for the management company governance after the submission to the Government of the Republic of Kazakhstan of a proposal for the establishment of a special economic zone in accordance with Article 7 of this Law.

2. Competitive selection of persons for the management company governance shall be carried out by the authorized body jointly with the relevant interested state bodies and a unified coordination center within sixty calendar days from the date of the proposal to establish a special economic zone to the Government of the Republic of Kazakhstan.

2-1. In the event of termination of labor relations with the head of the executive body or a person acting solely as the executive body of the management company, the

competitive selection of persons for the management company governance shall be conducted by the authorized body jointly with the relevant interested state bodies and a unified coordination center within fifteen working days from the date of termination of employment .

3. The procedure for conducting a competitive selection of persons for the management company governance, as well as the qualification requirements for them, shall be determined by the authorized body.

**Footnote. Article 19 as amended by Laws of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 86-VI dated 03.07.2017 (shall be enforced upon expiry of ten calendar days after the day its first official publication).**

#### **Article 20. Rights and obligations of special economic zone participants**

1. The special economic zone participants shall have the right to:

- 1) use guarantees of legal protection, tax and other remissions as specified by legislative acts of the Republic of Kazakhstan for special economic zone participants;
- 2) obtain land plots and construct infrastructure facilities for performance of priority activities in the manner prescribed by this Law;
- 3) engage entities carrying out ancillary activities while performing ancillary activities;
- 4) determine the ancillary activities;
- 5) enjoy other rights as specified by the legislative acts of the Republic of Kazakhstan.

2. The special economic zone participants shall be obliged to:

- 1) submit annual report on its activity to regulatory agency of the special economic zone;
- 2) discharge duties specified by the laws the Republic of Kazakhstan and agreement for carrying out activities in good faith and proper manner.

#### **Article 21. Monitoring of the implementation of terms and conditions of the agreements for carrying out activities**

Monitoring of the implementation of the terms of contracts for the performance of activities is carried out by local executive bodies of the region, the city of the republican significance, the capital and a unified coordination center on the basis of



information provided by the management bodies of special economic zones in the form of reporting, as well as information on participants in special economic zones in accordance with this Law.

Monitoring, stipulated by the sub-paragraph 10) of the Article 18 of this Law shall be performed by the regulatory agencies of the special economic zones on a regular basis.

**Footnote. Article 21 as amended by Law of the Republic of Kazakhstan № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Article 22. Financing of the activity of the regulatory agency of the special economic zone**

1. Financing of the activity of the regulatory agency of the special economic zone established in the legal form of the state institution shall be performed in accordance with the legislative acts of the Republic of Kazakhstan.

2. Financing of the activity of the managing company shall be performed on the account of:

1) repayment for services rendered by the managing company to the special economic zone participants;

2) special purpose debt financing;

3) income from lease and (or) sublease of infrastructure facilities, land plots and other property;

3-1) the funds contributed as an authorized capital;

4) other type of income of regulatory agency not prohibited by the laws of the Republic of Kazakhstan.

3. The activity of the management body of special economic zone created in the organizational and legal form of the autonomous cluster fund shall be financed in accordance with the Law of the Republic of Kazakhstan "On Innovative Cluster" Park of Innovative Technologies ".

**Footnote. Article 22 as amended by Laws of the Republic of Kazakhstan № 208-V dated 10.06.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 362-V dated 27.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

## **Article 23. Dissolution of the regulatory agency of the special economic zone**

1. After expiry of the special economic zone, validity period or adoption of decision on early abolition of a special economic zone, regulatory agency established in the form of a state institution shall be dissolved (reorganized) in accordance with legislative acts of the Republic of Kazakhstan.

2. After expiry of the special economic zone, validity period or adoption of decision on early abolition of a special economic zone, general meeting of shareholders shall adopt the decision on voluntary dissolution of the managing company, define the dissolution procedure in agreement with the creditors, under their supervision and in accordance with the legislative acts of the Republic of Kazakhstan.

If shareholders of the managing company fail to adopt decision on voluntary dissolution, managing company shall be dissolved by enforcement.

Enforced dissolution of the joint-stock company shall be performed in the manner prescribed by the Civil Code of the Republic of Kazakhstan.

## **Chapter 5. LEGAL REGIME AND THE CONDITIONS OF OPERATION OF THE SPECIAL ECONOMIC ZONE**

### **Article 24. Special legal regime of the special economic zone**

Special legal regime shall apply to special economic zone participants in the territory of a special economic zone. This special legal status is established under this Law, tax, customs and land legislation of the Republic of Kazakhstan, as well as the legislation of the Republic of Kazakhstan related to the employment of the population.

### **Article 25. Taxation of special economic zone participants**

Taxation and collection of other compulsory budgetary payments of special economic zone participants shall be effected in accordance with the tax legislation of the Republic of Kazakhstan.

### **Article 26. Customs regulation in special economic zones**

1. Customs procedure of a free customs zone shall apply to the territory of a special economic zone or its part.

The boundaries of special economic zone, within which the customs procedure of free customs zone operates, are determined in accordance with the act of the Government of the Republic of Kazakhstan on the establishment of a special economic zone.

2. Customs procedure of free customs zone shall apply in accordance with the customs legislation of the customs union and (or) customs legislation of the Republic of Kazakhstan.

3. Special economic zone territory is deemed a part of the customs union customs territory.

4. Special economic zone territory where customs procedure of free customs zone is applied is deemed the customs controlled area.

Customs control on the territory of special economic zone where the customs procedure of free customs zone is applied is carried out by the state revenue authorities in accordance with the customs legislation of the Customs Union and (or) the customs legislation of the Republic of Kazakhstan.

5. Goods placed under other customs procedures, including those for duty-free trade, may be located and placed on the territory of a special economic zone which boundaries fully or partially coincide with the sections of the customs border of the Eurasian Economic Union.

**Footnote.** Article 26 as amended by Laws of the Republic of Kazakhstan № 248-V dated 07.11.2014 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 86-VI dated 03.07.2017 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); No 124-VI dated 26.12.2017 (shall be enforced from 01.01.2018 ).

#### **Article 27. Goods, placed under the customs procedure of a free customs zone**

Goods, imported in the territory of a special economic zone where customs procedure of free customs zone is applied shall be placed under the customs procedure of a free customs zone in accordance with the procedure and under conditions specified by the customs legislation of the customs union and (or) customs legislation of the Republic of Kazakhstan and shall be treated as goods located beyond the customs union territory for the purposes of the application of customs duties, taxes and non-tariff regulation measures.

**Footnote.** Article 27 in the wording of Law of the Republic of Kazakhstan No 124-VI dated 26.12.2017 (shall be enforced from 01.01.2018).

#### **Article 28. Employment of foreign labour**

**Footnote.** Article 28 is excluded by Law of the Republic of Kazakhstan № 421-V dated 24.11.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

#### **Article 29. Guarantees of interim protection of the special economic zone participants**

1. The participants of the special economic zone shall be guaranteed with the protection of rights and interests, which is provided by the Constitution of the Republic of Kazakhstan, this Law and other international treaties, ratified by the Republic of Kazakhstan.

2. Forcible withdrawal of property of the special economic zone participant ( nationalization, seizure) is allowed in exceptional cases and in the order provided by the laws of the Republic of Kazakhstan.

3. The special economic zone participants shall have the right to use income in their own discretion gained due to activities performance in the territory of the special economic zone after having paid taxes and other compulsory payments to the budget in accordance with the tax legislation of the Republic of Kazakhstan.

#### **Article 29-1. Public-private partnership in special economic zones**

Public-private partnership in special economic zones is carried out in accordance with the Law of the Republic of Kazakhstan "On public-private partnership".

**Footnote. Chapter 5 is supplemented by Article 29-1 in accordance with Law of the Republic of Kazakhstan № 380-V dated 31.10.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).**

### **Chapter 6. CONCLUSIVE AND TRANSITIONAL PROVISIONS**

#### **Article 30. State control over compliance with the legislation of the Republic of Kazakhstan on special economic zones**

The state control over compliance with the legislation of the Republic of Kazakhstan on special economic zones is carried out in the form of verification and other forms.

The verification is carried out in accordance with the Entrepreneurship Code of the Republic of Kazakhstan.

Other forms of state control are exercised in accordance with this Law.

**Footnote. Article 30 in the new wording of Law of the Republic of Kazakhstan № 376-V dated 29.10.2015 (shall be enforced from 01.01.2016).**

#### **Article 31. Responsibility for violation of the legislation of the Republic of Kazakhstan on the special economic zones**

Violation of the legislation of the Republic of Kazakhstan on the special economic zones shall involve the responsibility established by the Laws of the Republic of Kazakhstan.

#### **Article 32. Transitional provisions**

1. Special economic zones, established prior to enactment of this Law shall maintain its status before making the decision on their abolition or termination of the period according to which this special economic zone was created. The Administrations of the special economic zones can perform functions of managing companies before establishment of a managing company but no more than a period specified by the authorized body.

2. Operator-companies involved in order to manage the special economic zones established prior to enactment of this Law can perform functions of the managing companies before their handover to newly established company.

Moreover, these operator-companies perform functions of managing companies no more than one year upon the moment of enactment of this Law.

Decision to perform function of a managing company involved by an operator-company for the special economic zone shall be taken by the authorized body.

3. No later than one year upon the date of the establishment of the managing company, the administration of the special economic zone shall transfer to the managing company all the documents and information related to the special economic zone and required to perform by the managing company the functions provided by the Law, whereupon this administration shall be terminated.

4. Upon the date of the establishment of the managing company, the contracts, concluded between the authorized body and operator-companies, shall be terminated.

5. For the participants of special economic zone in the field of information and communication technologies and innovative technologies, the requirement to carry out activities on the territory of special economic zone will not be a sine qua non until January 1, 2018 for the following activities:

1) design, development, implementation, pilot production and production of software, databases and hardware of information and communication technologies, as well as data center services, electronic services;

2) conducting scientific researches and development works on creation and implementation of projects in the field of information and communication technologies

6. Provisions, provided by the paragraphs 1-4 of this Article shall not cover the special economic zone “Astana – the new city”.

**Footnote. Article 32 as amended by Laws of the Republic of Kazakhstan № 208-V dated 10.06.2014 (shall be enforced from 01.01.2015); № 419-V dated (shall be enforced from 01.01.2016); No 122-VI dated 25.12.2017 (shall be enforced from 01.01.2018).**

### **Article 33. Procedure of promulgation of this law**

1. This Law shall be enforced within ten calendar days after its first official publication.

2. The Law of the Republic of Kazakhstan “On special economic zones in the Republic of Kazakhstan” dated 6th of July 2007 shall be deemed to have lost force (Bulletin of the Parliament of the Republic of Kazakhstan, 2007, No.14, Art.104; 2010, No.15, Art.71).

The President of

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