



## ON PEASANT OR FARM ENTERPRISE

### *Invalidated Unofficial translation*

The Law of the Republic of Kazakhstan dated 31 March, 1998 No 214.

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).

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Footnote. In title and through the whole text:

the words “farm” are replaced by the words "or farm" respectively;

the words " applicable laws" are replaced by the words "the legislation of the Republic of Kazakhstan" – by the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon the expiry of ten calendar days after its first official publication).

This Law defines legal, organizational and economical bases of the principles of creation and functioning of a peasant or farm enterprises in the Republic of Kazakhstan

## Chapter I. GENERAL PROVISIONS

### 1. A peasant or farm enterprise

1. A peasant or farm enterprise shall be recognized as a labor association, where conducting of individual entrepreneurship is inseparably linked with the use of agricultural land for production of agricultural products, as well as with processing and sale of these products.

Subjects of a peasant or farm enterprise shall be the citizens of the Republic of Kazakhstan and (or) oralmans, engaged in entrepreneurial activity without the establishment of a legal entity.

Provisions of this Law concerning the citizens of the Republic of Kazakhstan shall apply to oralmans, unless otherwise provided by the laws of the Republic of Kazakhstan.

2. Members of a peasant’s or farm enterprise shall be conjoints, close relatives ( parents, children, adoptive parents, the adopted, full-blood and half-blood brothers and sisters, grandfathers, grandmothers and grandchildren) and other persons jointly conducting a common economy.

3. A peasant’s or farm enterprise may appear in the form of:

a peasant's enterprise, where the entrepreneurial activity shall be carried out in form of a family entrepreneurship, based on the basis of a common joint property;  
farm enterprise, based on exercise of personal entrepreneurship;

farm enterprise, established in a form of a ordinary partnership on the basis of common participatory share ownership, based on an agreement on joint activities.

4. The head of a peasant or farm enterprise can be a capable citizen of the Republic of Kazakhstan, who has reached the age of 18 years.

5. *Is excluded by the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon the expiry of ten calendar days after its first official publication).*

**Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; dated 24.03.2011 No 420-IV (shall be enforced upon the expiry of ten calendar days after its first official publication).**

### **1-1. Rights and obligations of the head and members of a peasant or farm enterprise**

1. The head of a peasant or farm enterprise shall have the right:

1) to represent interests of a peasant or farm enterprise in relations with natural persons and legal entities;

2) to effect civil-law transactions, not prohibited by the laws of the Republic of Kazakhstan;

3) to authorize some of the members of the enterprise to perform his /her functions in case of long-term absence;

4) to specify the key business lines of a peasant's or farm enterprise;

5) to approve internal rules, procedures of their adoption, and other documents, regulating the internal activity of a peasant's or farm enterprise;

6) to put before the general meeting of the members of a peasant's or farm enterprise the issue, concerning participation of a peasant's or farm enterprise in the establishment and activity of legal entities;

7) to exercise other rights, provided by this Law, and other laws of the Republic of Kazakhstan.

2. The head of a peasant's or farm enterprise shall be obliged:

1) to organize accounting and reporting of a peasant's or farm enterprise;

2) to carry out within his/her competence decisions of the general meeting of the members of a peasant's or farm enterprise, not contradicting the legislation of the Republic of Kazakhstan;

3) to create labour conditions for the members of a peasant or farm enterprise;

4) upon hiring of employees to enter into labour agreements, to issue acts of the employer in accordance with the labour legislation of the Republic of Kazakhstan;

5) to perform other obligations stipulated by this Law and other laws of the Republic of Kazakhstan.

3. The members of a peasant or farm enterprise shall have the right:

1) to voluntarily retire in the manner set forth by the general meeting of the members of a peasant or farm enterprise;

2) to obtain information concerning the activity of a peasant or farm enterprise, including being familiarized with accounting data, reporting and other documentation of the peasant's or farm enterprise;

3) to file complaints for wrong acts of a head and other members to the general meeting of the members of a peasant's or farm enterprise and (or) to state bodies;

4) to appeal the decisions of the head and general meeting of the members of a peasant or farm enterprise in a judicial proceedings, in case of violation of their rights and legitimate interests;

5) to exercise other rights, stipulated by this Law and other laws of the Republic of Kazakhstan.

4. Members of a peasant or farm enterprise shall be obliged:

1) to fulfill the decisions of the general meeting of the members of a peasant's or farm enterprise;

2) to comply with the requirements of internal documents of a peasant's or farm enterprise;

3) in case of change of the head of a peasant or farm enterprise by general statement to notify about it the bodies, registered the enterprise;

4) to perform other obligations, stipulated by this Law and other laws of the Republic of Kazakhstan.

**Footnote. The law is supplemented by Article 1-1 in accordance with the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon the expiry of ten calendar days after its first official publication).**

## **2. Establishment of a peasant or farm enterprise**

1. A peasant or farm enterprise is established on a voluntary basis and shall be considered as established from the date of state registration of the right to a land plot, and in cases, stipulated by the laws of the Republic of Kazakhstan, after the registration in capacity of an individual entrepreneur.

2. Upon registration of a peasant or farm enterprise, based on joint entrepreneurship, the certificate of state registration shall be issued to the head of a peasant or farm enterprise. The certificate shall be attached with a list of members of a peasant or farm enterprise, authenticated by the head of the eligible territorial subdivision of the tax body.

**Footnote. Article 2 is in the wording of the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon the expiry of ten calendar days after its first official publication).**

## **3. A peasant or farm enterprise as a type of business**

1. A peasant or farm enterprise shall be recognized an equal production unit of agriculture in the Republic of Kazakhstan.

2. A peasant or farm enterprise on a stand-alone basis determines the line of its activity, the structure and volume of production; grows, processes and sells products; as well as decides other issues, related with conducting farm business.

#### **4. Property of a peasant or farm enterprise**

1. The property of a peasant or farm enterprise is owned by its members on the right of joint property, unless otherwise is provided by the agreement between them.

The property of a peasant or farm enterprise, established in the form of a special partnership on the basis of a joint operation agreement, is owned by its members on the right of joint share property.

The property of a peasant or farm enterprise, based on personal entrepreneurship is owned by a peasant or farm enterprise as a private property.

2. The property of members or a peasant or farm enterprise may include land plots, plantations on the land plot, including the plantation of a private forestry fund, wild animals, which are bred and maintained as captive and (or) in semi-free conditions, household and other buildings, ameliorative and other constructions, productive and plow cattle, bird, agricultural and other machinery and equipment, means of transport, inventory and other property, transferred by the members of a peasant or farm enterprise and (or) bought for business to common funds of its members.

3. Benefits, products and revenues, received in the result of the activity of a peasant or farm enterprise, shall be recognized as a common joint or a common shared property of the members of a peasant or farm enterprise and shall be used upon the agreement between them.

4. Property relations of the members of a peasant or farm enterprise shall be regulated by the appropriate regulations of civil and land legislation of the Republic of Kazakhstan.

**Footnote. Article 4 is in the wording of the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **5. Succession of property and right to a land plot of the members of a peasant or farm enterprise**

The property and right to a land plot are inherited in the manner, prescribed by laws of the Republic of Kazakhstan.

**Footnote. Article 5 is in the new wording of the Law of the Republic of Kazakhstan dated 29 December, 2003 No 512.**

## **Chapter II. RIGHT TO A LAND PLOT OF A PEASANT OR FARM ENTERPRISE**

Footnote. Title as amended by the Law of the Republic of Kazakhstan dated 29 December, 2003 No 512.

## **6. Allocation of a land plot to conduct a peasant or farm enterprise**

1. Land plots shall be allotted to the citizens of the Republic of Kazakhstan for conducting a peasant or farm enterprise on the right of private property or on the right of temporary use of a land for a fee (rent) for the period from 10 to 49 years, and for conducting of distant-pasture cattle tending (seasonal pasture) on the right of temporary use of a land without fee in accordance with this Law and land legislation of the Republic of Kazakhstan.

Allocation of the right of private property to a land plot for agricultural purposes shall be carried out on a paid basis. Herewith the citizens of the Republic of Kazakhstan can purchase the right of private property to a land plot at the price equal to its cadastral (assessed) amount, or at the privileged price, specified in accordance with the land legislation of the Republic of Kazakhstan.

Payments for purchasing of a land plot can be made by installments up to ten years upon the written application of the person acquiring the right to private property for a land plot in accordance with the legislation of the Republic of Kazakhstan.

Provision of land plots for conducting a peasant or farm enterprise to oralmans shall be carried out on the right of temporary use of land.

2. Citizens, that will conduct an enterprise on the basis of personal labour participation, having special agricultural skills and qualification, with practical experience in agriculture and residing in the given district, city, village, township shall have the priority right to receive a land plot for conducting a peasant or farm enterprise

Priority right to purchase a land plot of a peasant or farm enterprise with at least five years of experience and which ceased its activity, shall be provided to the citizens of the Republic of Kazakhstan who has obtained the property of the given peasant or farm enterprise and possessed special agricultural skills and qualification.

3. For conducting a peasant or farm enterprise citizens, retiring from the membership of reorganized state agricultural organizations shall be provided with land plots from the these organizations, which cadastral assessment must be at average level for enterprise (on land).

4. Citizens, who transferred the rights to land plots owned by them, including the rights to conditional land shares, in capacity of a contribution to the foundation capital of economic partnership or in capacity of a contribution to the production cooperative upon the withdrawal from the membership participants (members) for establishment of

a peasant or farm enterprise shall have the right to apportionment (allotment) in kind of a participatory share or an equity unit, including a land plot, or at their option the right to disbursement of the cost of a participatory share or equity unit.

The apportionment (allotment) in kind of a participatory share or an equity unit shall be performed upon the request of a participant of an economic partnership or a production cooperative.

A land plot transferred to the foundation capital by a participant of an economic partnership or by a member of a production cooperative only for use shall be returned in kind without interest, except for cases stipulated by laws of the Republic of Kazakhstan or by the agreement between parties.

The application on the withdrawal of participants (members) from the membership and on the apportionment of a land plot shall be submitted to the agricultural organization.

The location of the apportioned land plot in kind towards the participatory share or equity unit for establishment of a peasant or farm enterprise shall be defined in the procedure prescribed by the constituent documents of economic partnerships, production cooperatives or by the agreement of parties.

In case of absence in the constituent documents of procedure of apportionment (allotment) of a land plot the provisions of paragraph 5 of this article shall apply.

5. The citizens, which are the participants of a participatory share ownership (participatory land use) and which retire from the membership of the participants in order to conduct a peasant or farm enterprise, shall be provided with the land plots in accordance with the procedure of use of a land plot, being in participatory share ownership (participatory land use), approved by the general meeting of participants of participatory share ownership (participatory land use). The notification of the participants of participatory share ownership (participatory land use) about upcoming meeting concerning the approval of a procedure of land plots use shall be made in writing no less than one month prior to the date of its conduct. Upon the condition of appropriate notification, the meeting shall be considered eligible with participation of no less than fifty percent of participants of participatory share ownership (participatory land use) or their representatives. The decision shall be taken by a simple majority of votes of the participants of participatory share ownership (participatory land use) or their representatives, presenting at the meeting, and shall be registered by the minutes. The minutes shall be signed by all presented participants of participatory share ownership (participatory land use) or their representatives.

In the absence of the procedure of a land plot use, the interested participant of participatory share ownership (participatory land use) shall be obliged to notify other participants of participatory share ownership (participatory land use) in writing about the intention to allocate a land plot towards a land share (land shares) and to specify its

proposed location. The matter of location of a land plot can be solved through agreement procedures or on the basis of the decision of general meeting of the participants of participatory share ownership (participatory land use) or their representatives. The meeting must be held within one month upon the notice has been given and shall be considered eligible with participation of no less than fifty percent of the participants of participatory share ownership (participatory land use) or their representatives. The decision shall be taken by a simple majority of votes of the participants of participatory share ownership (participatory land use) or their representatives, presenting at the meeting, and shall be registered by the minutes. The minutes shall be signed by all presented participants of participatory share ownership (participatory land use) or their representatives.

The proposal of location of a land plot shall be considered as agreed to the extent if there are no objections from the participants of participatory share ownership (participatory land use) within one month upon the appropriate notification.

6. Application of the citizen and attached agreed materials on location of the allotted land plot shall be sent to a local executive body for registration of the right to a land plot to the same.

7. To citizens, who received land plots for conducting a peasant or farm enterprise and owning a dwelling house in village, shall retain a garden land plot on the right of ownership, which is not included into the land plot of a peasant or farm enterprise.

8. To citizens, who are not employees of agricultural organizations land plots for conducting a peasant or farm enterprise shall be provided from the lands of special land-fund and reserve lands.

**Footnote.** Article 6 is in the wording of the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; as amended by the Law of the Republic of Kazakhstan dated 10.01.2006 No 116 (the order of enforcement see Article 2 of the Law No 116); dated 06.07.2007 No 276; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication); by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No 123- V (shall be enforced upon expiry of ten calendar days after its first official publication). The Law of the Republic of Kazakhstan, “On peasant and farm enterprise”, dated 31 March 1998. (Bulletin of the Parliament of the Republic of Kazakhstan, 1998, No 2-3, Art.26; 2001, No 24, Art. 338 ; 2003, No 1-2, Art. 6; No 4, Art 26; № 24, Art. 178; 2006, No 1, Art. 5; No 15, Art. 95 ; 2007, No 9, Art. 67; No 15, Art. 106; No 18, Art. 143; 2008, No 24, Art. 129; 2009, No 15-16, Art. 76; 2010, No 5, Art. 23; 2011, No 6, Art. 49): part 1 of the paragraph 2 and paragraph 7 of Article 6, the words “aul (village)” shall be supplemented by the word “village”.

**7. Standards of provision of a land plot for conducting a peasant or farm enterprise**

1. *(Is excluded by the Law of the Republic of Kazakhstan dated 10 January, 2006 No 116 (the order of enforcement see Article 2 of the Law No 116).*

2. Limit (maximum) dimensions of agricultural land plots, which the citizens of the Republic of Kazakhstan can own on the right of private property for conducting a peasant or farm enterprise within one administrative district (city), shall be set forth by the Government of the Republic of Kazakhstan on the basis of proposals of regional (city of republican status, capital city) representative and executive bodies.

**Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 29 December, 2003 No 512.**

## **8. Procedure for the provision of a land plot for conducting a peasant or farm enterprise**

1. Citizens, interested in obtaining a property and (or) land use rights to land plots for conducting a peasant or farm enterprise from the lands of special land fund or reserve lands, shall submit applications to the public service centers of the relevant administrative and territorial unit, in case of absence of the same, to local executive body of the district or of the city of regional status at the location of the land plot.

2. The application shall contain:

- 1) purpose of use of a land plot;
- 2) its proposed dimensions;
- 3) location;
- 4) the requested right of use;
- 5) presence (absence) of another land plot;
- 6) membership of a peasant or farm enterprise.

The application for the provision of the right to a land plot shall be signed by the head and members of a peasant or farm enterprise.

The application shall be attached with:

- 1) a brief program of conducting agricultural production;
- 2) copies of documents, identifying the personality of the citizen, submitting the application;
- 3) documents on appropriate education or passing special training (if available);
- 4) documents, certifying the labour activity (if available).

The requesting of additional documents shall be prohibited.

3. Citizens, receiving a land plot for conducting a peasant or farm enterprise from the lands of agricultural organizations and lands, being in common property or common land use (paragraphs 3,4 and 5 of article 6 of this Law), in addition to the application, besides the specified in paragraph 2 of this article, shall submit agreed documents concerning the location of the allotted land plot.

Applications of citizens on the allotment of a land plot for conducting a peasant or farm enterprise, submitted to the agricultural organization or to the participants of common property (common land use), must be considered by them within one month.



At the same time, the allotment of a land plot in kind shall be made prior to the commencement or upon the end of agricultural field works. In other cases the allotment of a land plot in kind shall be made with the consent of an agricultural organization or participants of common property (common land use).

4. Land title document shall be registered for the members of a peasant or farm enterprise specifying all owners (land users) in accordance with the land legislation of the Republic of Kazakhstan.

5. Right to a land plot of a peasant or farm enterprise arises upon the state registration of the rights to real estate.

**Footnote. Article 8 is in the wording of the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **9. Land plot of a peasant or farm enterprise**

1. Land plots for conducting a peasant or farm enterprise shall be allotted by a single block, except for the cases, when separate land plots and types of agricultural lands are not consistent with the value by soil quality (in the zone of irrigation farming, with limited sources of forage conservation, with featured seasonality of pastures use).

2. Land plot, provided to a peasant or farm enterprise shall be on the right of common joint or common participatory share ownership (common joint or common participatory share land use).

3. A peasant or farm enterprise, having the right of private property for a land plot, shall exercise the rights of ownership, use and disposition thereof by own discretion without obtaining any consents from state agencies.

A peasant or farm enterprise having the right of temporary land use, shall perform the specified rights in accordance with the agreement of temporary land use.

A peasant or farm enterprise shall have the right to perform any transactions without change of designation concerning the land plot being on the right of private property, which are not prohibited by the legislative acts of the Republic of Kazakhstan, including the land plot purchased at full cost – from the date of its state registration and the land plot purchased at privileged price – upon the expiration of the term of restriction for the performance of transactions with a land plot, which is amounted as two years per every ten percent of reduction of cadastral (assessed) amount of the land plot.

The right of temporary land use for a fee (rent) to a land plot for conducting a peasant or farm enterprise without purchasing of such right can be transferred to mortgage, in capacity of a contribution to the foundation capital of an economic partnership, paid as the shares of joint stock company or in capacity of a contribution to production cooperative.

4. Right of private property to a land plot and a long-term temporary land use is included into the property of a peasant or farm enterprise, upon which it is responsible by its obligations.

5. The construction of objects, not related to conducting agricultural business, including dwelling houses (including individual) on the land plots provided for conducting a peasant or farm enterprise shall be prohibited. The valuable agricultural lands, including all types of irrigated agricultural lands, tilled field, layland and lands occupied by perennial plantings, cannot be used for construction of the objects of cattle-breeding complexes, temporary buildings and household facilities for seasoned works and distant-pasture cattle tending.

Subdivision of agricultural lands, being in the ownership of land use, to the plots, which squares are below minimum dimensions specified in accordance with the land legislation of the Republic of Kazakhstan, shall be prohibited.

**Footnote. Article 9 as amended by the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; dated 10.07.2009 No 180-IV; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **10. Rights of a peasant or farm enterprise concerning land use**

1. A peasant or farm enterprise shall have the right to:

1) manage independently in the land, using it for the purposes of production of agricultural products;

2) ownership of seeding and planting of agricultural and other crops and plants, to produced agricultural products, received in result of land plot use, and to the revenues from sale of the products;

3) use in prescribed manner for the needs of own enterprise, sand, clay, gravel and other commonly occurring minerals, peat, forestry lands, surface and ground water, as well as to use other useful properties of the land, available on the land plot;

4) recover damages in full upon compulsory acquisition of a land plot for state needs;

5) construct as a property the production, household and other buildings (facilities, constructions) in low-value lands in accordance with land zoning for the needs of enterprise, not contradicting the intended purpose of the land plot;

6) to perform irrigation, drainage and other reclamation work, to build ponds and other reservoirs in accordance with the established construction, ecological, sanitary and hygienic and other special requirements.

2. The powers, stipulated by subparagraphs 2), 3), 5) and 6) of paragraph 1 of this article under temporary land use may be limited by the agreement.

3. Hunting, fishery, collection of medicinal herbs, berries, mushrooms, and other natural products and other activity in the land plot, assigned to a peasant or farm enterprise shall be allowed only upon the consent of the head of this enterprise.

4. A peasant or farm enterprise shall independently use its products and sell it in internal and external markets.

**Footnote. Article 10 as amended by the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; dated 10.07.2009 No 180-IV; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

**. Obligations of a peasant of farm enterprise concerning land use**

A peasant or farm enterprise shall be obliged:

- 1) to use the provided land in accordance with the intended purpose;
- 2) to prevent the diminishing of soil fertility;
- 3) to apply eco-technologies of the production of agricultural products and to implement a set of measures to protect the land;
- 4) to prevent environmental degradation in result of its activity;
- 5) to rely on architectural and engineering, constructional, environmental, sanitary and hygienic and other special requirements (norms, rules, regulations) in carrying out construction in the land plot;
- 6) not to violate the rights of other land users and owners of land plots;
- 7) to provide presentations of servitudes in the manners, prescribed by the land legislation of the Republic of Kazakhstan.

**Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

**12. Cessation of the right of private property to a land plot and the right of land use of a peasant or farm enterprise**

1. The right of private property for a land plot or the right of land use shall be ceased upon:

- waive of the right of private property for a land plot or the right of land use;
- alienation of a land plot to other persons;
- foreclosure on land or on the right to land use under obligations of a peasant or farm enterprise;
- compulsory acquisition of a land plot for the state needs;
- expiration of the term of provision of a land plot;
- seizure of the land plot, which is not used as intended or used in violation of the legislation of the Republic of Kazakhstan;
- seizure of the lands in cases provided by laws of the Republic of Kazakhstan;
- confiscation of a land plot.

2. A land plot, provided for conducting a peasant or farm enterprise and not used as intended, can be seized in accordance with the Land Code of the Republic of Kazakhstan.

Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; dated 06.07.2007 No 276; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

## **Chapter III. PRINCIPLES OF THE ACTIVITY OF A PEASANT OR FARM ENTERPRISE**

### **13. Labour in a peasant or farm enterprise**

1. Citizens, working under a labour agreement can be engaged in the performance of works in a peasant or farm enterprise.

2. The procedure of concluding of an employment agreement in a peasant or farm enterprise shall be specified by the labour legislation of the Republic of Kazakhstan.

3. Members of peasant or farm enterprise and the citizens, employed in the enterprise under the labour agreement, shall have all rights, provided by the legislation of the Republic of Kazakhstan.

4. The head of a peasant or farm enterprise shall be registered as an insurant in relevant bodies of social insurance, as well as of labour and social protection of the population of the Republic of Kazakhstan, at the place of his residence and shall contribute deductions from his revenues to the Fund of social state insurance of the Republic of Kazakhstan in the prescribed manner and to other bodies in accordance with the legislation of the Republic of Kazakhstan.

5. The period of employment in a peasant or farm enterprise shall be counted towards total length of service and continuity of employment on the basis of a work record book or documents, certifying the payment of insurance contributions to the Pension Fund of the Republic of Kazakhstan, executed prior to 1 January, 1998.

6. Assignment and payment of pensions to the members of peasant or farm enterprises, as well as to the citizens, who were employed, shall be made in the manner and under the conditions, set forth by the legislation of the Republic of Kazakhstan on pension provision.

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 10 January, 2006 No 116 (the order of enforcement see Article 2 of the Law No 116); dated 15 May, 2007 No 253.

### **14. Conditions of the activity of a peasant's or farm enterprise**

1. A peasant or farm enterprise shall cover its costs on the account of the received income.

2. Production, commercial and other relations of a peasant or farm enterprise shall be carried out on contractual basis.

3. Interference into the activity of a peasant or farm enterprise on behalf of the state bodies and officials shall be prohibited with exceptions provided by the legislation of the Republic of Kazakhstan.

#### **15. Bank accounts of a peasant or farm enterprise**

A peasant or farm enterprise shall have the right to open bank accounts and to dispose its own money in the bank.

#### **16. Taxation of a peasant or farm enterprise**

Taxation of a peasant or farm enterprise shall be performed in the manner set forth by the Tax code of the Republic of Kazakhstan.

**Footnote. Article 16 is in the wording of the Law of the Republic of Kazakhstan dated 24 December, 2001 No 276 (shall be enforced from 1 January,2002).**

#### **17. Crediting and insurance of a peasant or farm enterprise**

1. A peasant or farm enterprise shall have the right to obtain credits on the security of property, land plot and the right of land use in the manner and under conditions, set forth by the legislation of the Republic of Kazakhstan.

2. A peasant or farm enterprise shall carry out the insurance of leased and own production facilities, as well as seeding (planting) of agricultural crops, perennial plantings, manufactured products, raw materials in case of loss or damage in accordance with the legislation of the Republic of Kazakhstan on insurance.

**Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated December 29, 2003 No 512.**

#### **18. State support of a peasant or farm enterprise**

1. A peasant or farm enterprise with an average annual workforce not exceeding fifty persons and with total value of assets in average per year not exceeding sixty thousand fold of monthly calculation index:

1) *(the subparagraph is excluded by the Law of the Republic of Kazakhstan dated 29 December,2003 No 512);*

2) in the manner and under the conditions stipulated by the legislation of the Republic of Kazakhstan, shall be excused from payment for the connected capacity of electricity, heating, water supply and sewage with application of the legislation of the Republic of Kazakhstan on natural monopolies and regulated markets;

3) open accounts in the banks of the secondary level with state participation without charging fees;

4) accounting reports shall be presented in simplified procedure, as individual entrepreneurs;

5) *(Is excluded - N 276 dated 24.12.2001);*

6) shall use preemptive right upon placing orders for state needs, which conditions shall be specified by the Government of the Republic of Kazakhstan;

7) shall obtain information services (means), as well as scientific and technical developments and technologies on conditions of exemption within the limits, intended in the state budget to a relevant year within the frames of state financial support of small business;

8) shall carry out training, advanced training and raising qualification of personal at the expense of funds, provided for small business support.

1-1. A peasant or farm enterprise shall have the right to apply a simplified or general procedure of calculation and payment of separate types of taxes in accordance with the Tax code of the Republic of Kazakhstan.

2. The legal entities of the Republic of Kazakhstan, carrying out investments to agricultural production and not using special tax regime, can be provided with investment preferences in the manner and under the conditions, provided by the legislation of the Republic of Kazakhstan on investments.

3. *(The paragraph is excluded – by the Law of the Republic of Kazakhstan dated 8 January, 2003 No 375).*

4. The state promotes the development and protection of domestic peasant or farm market.

5. The character of the state support of the development of a peasant or farm enterprise shall be regulated by the legislation of the Republic of Kazakhstan.

**Footnote. Article 18 as amended by the Laws of the Republic of Kazakhstan dated 24.12.2001 No 276 (shall be enforced from 01.01.2002); dated 08.01.2003 No 375); dated 13.03.2003 No 395; dated 07.07.2006 No 174; dated 29.12.2008 No 116-IV ( shall be enforced from 01.01.2009); dated 19.03.2010 No 258-IV; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **19. Joint activity of a peasant or farm enterprise**

1. A peasant or farm enterprises may join to cooperatives, societies and other associations on voluntary basis as well as take part in the activity of cooperative, economical partnerships and other organizations.

2. A peasant or farm enterprise shall have the right at its own discretion to exit from any organization.

## **20. Conditions and procedure of cessation of the activity of a peasant or farm enterprise**

1. The activity of a peasant or farm enterprise shall be ceased, if there is no any member of the enterprise, successor or other person, who wishes to continue the activity of the enterprise, as well as in cases of bankruptcy and termination of the right of private property to a land plot or the right of land use.

2. Upon cessation of the activity of a peasant or farm enterprise the division of common property between the participants of common property as well as the

allotment of a share of one of them shall be carried out under the condition of primary determination of the share of each of participants in the right to common property.

3. The property, being in the participatory ownership, can be divided between its participants upon the agreement between them.

4. Conditions and procedure of division of property, land plot, and the right of land use upon the cessation of activity of a peasant or farm enterprise shall be regulated by the civil legislation of the Republic of Kazakhstan.

5. Property, land, and other disputes, arising in the result of carrying out the activity of a peasant or farm enterprise shall be considered in judicial proceeding.

**Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 29.12.2003 No 512; dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **21. Responsibility for violation of the legislation of the Republic of Kazakhstan concerning a peasant or farm enterprise**

The violation of the legislation shall be subjected to the responsibility set forth by laws of the Republic of Kazakhstan.

**Footnote. Article 21 is in the wording of the Law of the Republic of Kazakhstan dated 24.03.2011 No 420-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

T h e  
the Republic of Kazakhstan

P r e s i d e n t

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