

On special economic and industrial zones

Unofficial translation

Law of the Republic of Kazakhstan dated April 3, 2019 No. 242-V

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This Law shall regulate social relations arising in establishment, operation and abolition of special economic and industrial zones in the territory of the Republic of Kazakhstan.

Chapter 1. BASIC PROVISIONS

Article 1. Basic concepts used in this Law

The following basic concepts shall be used in this Law:

1) a special commission - a standing commission that examines the applications of management companies and potential participants of special economic zones on inclusion of types of activities not provided for in such a list or not appropriate for the purposes of establishment of a special economic zone into the list of priority types of activities;

2) a special economic zone - a part of the territory of the Republic of Kazakhstan with precisely defined boundaries, which has a special legal regime of a special economic zone for implementation of priority types of activities;

3) a management company of a special economic zone - a legal entity, established or determined in accordance with this Law and the Law of the Republic of Kazakhstan "On innovation cluster "Park of innovative technologies" to ensure the functioning of the special economic zone;

4) a participant in a special economic zone - a legal entity that performs priority types of activities in the territory of a special economic zone and is included in the single register of participants of special economic zones.

Wherein:

participants of a special economic zone "Park of innovative technologies" shall be allowed to carry out priority types of activities outside the territory of this special economic zone;

participants of a special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, may be individual entrepreneurs who carry out priority types of activities in the territory of the said special economic zone;

5) priority types of activities – types of activities, defined by the authorized body, which are subject to a special legal regime of the special economic zone;

6) "one window" principle - a form of rendering of state and other services in the territories of special economic and industrial zones, providing for minimization of participation of applicants in the collection and preparation of documents and restriction of their direct contact with the subjects of the provision of state and other services;

7) a single technological process - a set of technologically interconnected and sequential actions (works), performed in the production process within the framework of one priority type of activity. The set of activities within a single technological process shall be an integral part of the priority type of activity and shall form one whole with it;

8) a project - a set of measures that provide for establishment of modern high-performance, competitive productions and services for implementation of priority types of activities by a potential participant, applicant or participant in a special economic zone, as well as for business activities performed by a potential participant, applicant or participant in an industrial zone;

9) an industrial zone - a territory, provided with the engineering and communication infrastructure given to private business entities for locating and operating of business facilities, including in the industry, agriculture, tourism industry, transport logistics, waste management, in the manner, prescribed by the legislation of the Republic Kazakhstan;

10) industrial zone management company - a legal entity, established or determined in accordance with this Law to ensure the functioning of the industrial zone;

11) a participant in an industrial zone - an individual entrepreneur, a legal entity engaged in the arrangement and operation of business facilities in the territory of the industrial zone in the manner, established by the legislation of the Republic of Kazakhstan, with which the industrial zone management company has concluded a contract on activities;

12) infrastructure facilities - facilities that are part of the facilities for production and (or) transfer of heat and electricity, water and gas, sewage, transport communications, communication services and other objects of a special economic or industrial zone;

13) auxiliary types of activities - activities necessary to serve the activities of participants of a special economic zone, carried out by persons who are not members of a special economic zone in its territory;

14) persons, engaged in auxiliary types of activities - individual entrepreneurs or legal entities who are not participants of a special economic zone, carrying out auxiliary types of activities in accordance with this Law;

15) a contract on activities - an agreement, concluded between a participant or several participants in a special economic or industrial zone and the management company of a special economic or industrial zone, establishing the conditions for carrying out activities in the territory of a special economic or industrial zone and (or) in their legal regime, rights, duties and responsibilities of the parties;

16) regional coordinating council - a consultative and advisory body headed by the governor of a region, city of republican significance, the capital or his deputy, performing

functions in accordance with this Law and other functions, defined by the legislation of the Republic of Kazakhstan;

17) an applicant - a person who submits an application to the management company of a special economic zone for implementation of priority or auxiliary types of activities or an application to the management company of the industrial zone to carry out business activities as a participant in the industrial zone;

18) an expert council - a permanent interdepartmental consultative and advisory body that examines the feasibility of creating, extending the term of operation and the abolishing of special economic zones, as well as the feasibility of creating, extending the term of functioning and abolishing of industrial zones of republican significance in accordance with this Law;

19) an authorized body - the central executive body that carries out state regulation in the field of establishment, functioning and abolition of special economic and industrial zones.

Article 2. Legislation of the Republic of Kazakhstan on special economic and industrial zones

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

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

Article 3. The scope of this Law

The effect of this Law shall extend to state and local executive bodies, as well as to individuals and legal entities that are subjects of social relations arising from the establishment, operation and abolition of special economic and industrial zones in the territory of the Republic of Kazakhstan.

Article 4. Principles of state regulation of special economic and industrial zones

1. State regulation of special economic and industrial zones in the Republic of Kazakhstan shall be based on the principles of a balance of interests, fairness, transparency, and stimulation of production.

2. The legislation of the Republic of Kazakhstan on special economic and industrial zones cannot contradict the principles provided for by this Law.

Article 5. Principle of balance of interests

This Law shall provide for a balance of interests of all subjects of social relations arising from the establishment, operation and abolition of special economic and industrial zones in the territory of the Republic of Kazakhstan.

For the purposes of this Law, the balance of interests shall be a state of legal relations in which the rights and obligations of the parties are proportionate and the parties have equal opportunities to realize their legitimate interests.

Article 6. Principle of justice

Potential participants in special economic and industrial zones shall be provided with equal opportunities for access to carry out activities on the territory of such zones, subject to compliance with the requirements for carrying out such activities.

Article 7. Principle of transparency

The principle of transparency shall be to ensure transparent, open and public procedures in establishing special economic and industrial zones, as well as in carrying out the activities of participants in special economic and industrial zones and allowing new members to operate in such zones.

Article 8. Principle of stimulating of production

The principle of stimulating of production shall be to support domestic producers of goods, as well as domestic suppliers of works and services to the extent that does not contradict international treaties, ratified by the Republic of Kazakhstan.

Article 9. Purposes of establishment of special economic and industrial zones

1. A special economic zone shall be established in order to boost development of modern high-performance, competitive industries, to form a qualitatively new level of service provision, attract investment, introduce new technologies in industries and regions, as well as to increase employment.

2. A special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, shall be also established for development of border trade and the economy of adjacent border territories, development of transport infrastructure, tourism and cultural interaction of the border territories of the Republic of Kazakhstan.

3. An industrial zone shall be established in order to ensure infrastructure development of entrepreneurship in the regions.

Chapter 2. COMPETENCE OF THE GOVERNMENT, CENTRAL STATE AND LOCAL EXECUTIVE BODIES

Article 10. Competence of the Government of the Republic of Kazakhstan

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

1) development of the main directions of state policy in the field of establishment and functioning of special economic and industrial zones;

2) decision making:

on establishment of a special economic zone, including the determination of its goals, the approval of its regulations and target indicators;

on the extension of the term of operation of a special economic zone with the establishment of the conditions for such an extension;

on the abolition of the special economic zone;

on the establishment or determination of a management company of a special economic zone or industrial zone of republican significance;

3) the determination of a single coordination center;

4) determination of typical functions of the regional coordination council;

5) determination of the procedure for selection of projects, implemented by participants in special economic zones, in respect of which the international, regional standards and standards of foreign states can be applied;

6) performance of other functions, assigned to it by the Constitution, this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Article 11. Competence of an authorized body

The competence of an authorized body shall include:

1) implementation of the state policy in the field of establishment and functioning of special economic and industrial zones;

2) implementation of inter-sectoral coordination of the activities of state bodies and management companies of special economic and industrial zones in the field of establishment, functioning and abolition of special economic and industrial zones;

3) development and approval of a list of priority types of activities in the context of special economic zones in coordination with the central authorized body for state planning and the authorized state body, managing in the field of provision of tax revenues and other mandatory payments to the budget;

4) coordination of the decision on the establishment, extension of the term of operation or the abolition of the industrial zone of republican significance;

5) development and approval of the following model contracts and forms:

model contracts of temporary paid land use (lease) of state-owned land plots on which a special economic or industrial zone is established;

model contracts of secondary land use (sublease) of state-owned land plots on which a special economic or industrial zone is established;

model contracts of temporary use (lease) of privately owned land plots on which a special economic or industrial zone is established;

model contracts of temporary secondary use (sublease) of privately owned land plots on which a special economic or industrial zone is established;

model contracts on activities;

model contracts for the proper performance of the functions of managing companies of special economic zones, industrial zones of republican and regional significance;

application forms and questionnaires for registration as a participant of a special economic or industrial zone;

the form of the act of non-fulfillment by the participant of a special economic or industrial zone of obligations, determined by the contract on activities;

- 6) development and approval of model regulations on the industrial zone of republican and regional significance;
- 7) approval of requirements for the concepts of establishment of special economic and industrial zone;
- 8) establishment of a special commission and approval of the regulation on it;
- 9) establishment of an expert council and approval of the regulation on it;
- 10) submission of proposals to the Government of the Republic of Kazakhstan on establishment, extension of the term of operation or abolition of the special economic zone;
- 11) development and approval of rules for submission of reports by the management company of a special economic and industrial zone;
- 12) development and approval of rules for issuing a certificate, certifying the registration of a person as a participant of a special economic zone;
- 13) assessment of the effectiveness of the activity of a special economic zone in accordance with the methodology for assessing the effectiveness of the activity of special economic and industrial zones;
- 14) development and approval of rules for maintaining a single register of participants in special economic zones;
- 15) on an annual basis, submission to the Administration of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan of the analytical information on the results of the activities of special economic and industrial zones;
- 16) development and approval of rules for maintaining a single register of industrial zones ;
- 17) development and approval of rules and criteria for selection of projects;
- 18) development and approval of rules for the competitive selection of persons to manage the management companies of special economic zones and state industrial zones, as well as the qualification requirements for these persons;
- 19) development and approval of a methodology for assessment of the effectiveness of activities of special economic and industrial zones in coordination with the central authorized body for state planning;
- 20) development and approval of rules for establishment and functioning of small industrial zones;
- 21) development and approval of a list of documents for admission of persons to the implementation of auxiliary types of activities;
- 22) conclusion of a contract with the management company of a special economic zone, in the establishment of which a non-state legal entity is involved, on the proper performance of the functions of the management company of a special economic zone;
- 23) conclusion of a contract with the management company of a special economic or industrial zone, in the establishment of which a non-state legal entity is involved, on the

proper performance of the functions of the management company of the industrial zone of republican significance;

24) development and approval of rules for the distribution of land plots by the management company of a special economic or industrial zone between participants of a special economic or industrial zone;

25) exercising other powers provided for 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.

Article 12. Competence of the central authorized body for state planning

The competence of the central authorized body for state planning shall include:

1) implementation within its competence of state policy in the field of establishment and functioning of special economic and industrial zones;

2) participation within its competence in the development and coordination of draft regulatory legal acts of the Republic of Kazakhstan, regulating the activities of special economic and industrial zones;

3) coordination of the methodology for assessment of the effectiveness of activities of special economic and industrial zones;

4) coordination of the list of priority types of activities to which the special legal regime of the special economic zone applies;

5) participation in the work of a special commission;

6) exercising other powers, provided for 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.

Article 13. Competence of the authorized state body, managing in the field of provision of tax revenues and other mandatory payments to the budget

The competence of the authorized state body responsible for managing the provision of tax revenues and other mandatory payments to the budget shall include:

1) implementation within its competence of the state policy in the field of establishment and functioning of special economic and industrial zones;

2) participation within its competence in development and coordination of draft regulatory legal acts of the Republic of Kazakhstan, regulating the activities of special economic and industrial zones;

3) coordination of the list of priority types of activities for which the special legal regime of the special economic zone applies;

4) participation in the work of a special commission;

5) exercising other powers provided for 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.

Article 14. Competence of local executive bodies of regions, cities of republican significance, the capital

The competence of local executive bodies of regions, cities of republican significance, the capital shall include:

- 1) implementation, within its competence, of the state policy in the field of functioning of special economic and industrial zones;
- 2) making decisions on the establishment, extension of the term of operation or the abolition of the industrial zone of republican significance in coordination with the authorized body;
- 3) making decisions on the establishment, extension of the term of operation or the abolition of the industrial zone of regional significance, as well as the small industrial zone;
- 4) coordination of the concept of establishment of private industrial zones;
- 5) establishment of a regional coordination council with the participation of representatives of business entities at least fifty percent of the total number;
- 6) approval of the regulation on the industrial zone of republican or regional significance on the basis of the model regulation of the industrial zone of republican or regional significance;
- 7) examination of projects for establishment of an industrial zone, including the concept of establishment of an industrial zone, as well as ensuring the conduct of a comprehensive non-departmental examination of design and estimate documentation for construction of infrastructure for the industrial zone being established;
- 8) elaboration of draft plans for development of industrial zones;
- 9) determination of management companies of industrial zones;
- 10) provision of land plots for placement of special economic and industrial zones in the manner, established by the Land Code of the Republic of Kazakhstan, and conclusion of contracts with management companies of special economic and industrial zones on temporary paid land use (rental) of the state-owned land plots, on which a special economic or industrial zone is established, based on model contracts for temporary paid land use (lease) of state-owned land plots;
- 11) attraction of potential participants of special economic and industrial zones;
- 12) conclusion with the management company of a special economic or industrial zone of a contract on the proper performance of the functions of the management company of an industrial zone of regional significance;
- 13) monitoring of fulfillment of contracts on activities by participants of special economic or industrial zones, as well as analyzing the monitoring data;
- 14) in the interests of local government, exercising of other powers, imposed on local executive bodies by the legislation of the Republic of Kazakhstan.

Chapter 3. ESTABLISHMENT, FUNCTIONING AND ABOLITION OF SPECIAL ECONOMIC ZONES

Article 15. Procedure for establishment of a special economic zone

1. A proposal to establish a special economic zone shall be made to the authorized body by the central or local executive bodies, legal entities, interested in establishment of a special economic zone, with a concept for establishing a special economic zone submitted.

2. Within five working days from the date of the proposal to establish a special economic zone, the authorized body shall verify the concept for establishing a special economic zone for compliance with the requirements for the concepts of establishing special economic and industrial zones. According to the results of the verification of the concept, the authorized body, within three working days, shall send a notice to the applicant on submission of the submitted materials to the expert council for consideration or shall return them in connection with the concept's inconsistency with the specified requirements.

The expert council shall prepare a conclusion within a period not later than twenty working days from the date of submission of the proposal on the establishment of a special economic zone.

3. The expert council shall issue a negative conclusion in the following cases:

- 1) the economic inexpediency of establishing a special economic zone;
- 2) inconsistency of the proposal to establish a special economic zone with the priorities of the state economic policy;
- 3) inconsistency of the proposal to establish a special economic zone with the requirements in the field of environmental protection;
- 4) the need to protect the life and health of people, especially protected natural territories, the threat of destruction and damage to the objects of historical and cultural heritage and the national security of the country.

4. After the expert council issues a positive conclusion, the authorized body shall develop and submit a draft resolution of the Government of the Republic of Kazakhstan for consideration by the Government of the Republic of Kazakhstan on the establishment of a special economic zone with the attached conclusion of the expert council.

In case of a negative conclusion of the expert council, the authorized body shall:

- 1) within five working days from the date of the conclusion of the expert council, return the proposal to establish a special economic zone, indicating the reasons for such a return;
- 2) submit a draft resolution of the Government of the Republic of Kazakhstan for consideration by the Government of the Republic of Kazakhstan on establishment of a special economic zone with the attached conclusion of the expert council.

Article 16. Procedure for changing the boundaries and (or) area of territory of a special economic zone

1. A proposal to change the boundaries and (or) area of the territory of a special economic zone shall be submitted to the authorized body by the central or local executive bodies, legal entities, interested in changing the boundaries and (or) area of the territory of the special economic zone, with submission of a justification (financial and economic calculations) of changes in the boundaries and (or) area of the territory of the special economic zone.

A proposal may be submitted jointly by several legal entities.

2. The issue of the feasibility of a proposal to change the boundaries and (or) area of the territory of the special economic zone shall be considered by the authorized body within fifteen working days from the date of submission of such a proposal.

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

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

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

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

4) weakness of the proposal to change the boundaries and (or) area of the territory of the special economic zone;

5) availability on the land plot to be removed from the land plots, located in the territory where the special legal regime of the special economic zone is in effect, of the infrastructure facilities or land plots used by the participant of this special economic zone to carry out activities on its territory.

The rejection of the proposal to change the boundaries and (or) area of the territory of the special economic zone shall not be an obstacle to the subsequent proposal to change the boundaries and (or) area of the territory of the special economic zone.

3. A preliminary decision on changing the boundaries and (or) area of the territory of the special economic zone shall be made by the authorized body in coordination with the relevant local executive body of the region, the city of republican significance, the capital.

4. Within twenty working days after the adoption of the decision, referred to in paragraph 3 of this article, the authorized body shall submit to the Government of the Republic of Kazakhstan a proposal to change the boundaries and (or) area of the territory of the special economic zone.

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

5. The assignment of lands, released in case of reducing the area of special economic zones, to the categories of lands shall be carried out in the manner, determined by the Land Code of the Republic of Kazakhstan.

Article 17. Conditions for functioning of a special economic zone

1. A special economic zone shall be established for a period of up to twenty-five years for its participants to carry out priority types of activities that correspond to a specific section of the general classifier of types of economic activity, approved by the authorized body in the field of standardization.

By the decision of the Government of the Republic of Kazakhstan, the period of functioning of the special economic zone, specified in part one of this paragraph, may be extended.

2. Special economic zones shall be established on the land plots, owned by the state, and not provided for land use or on land plots that are forcibly alienated from land owners and land users for the state needs in accordance with the Land Code of the Republic of Kazakhstan.

Special economic zones shall also be established on land plots that are privately owned by citizens and (or) non-state legal entities.

3. State-owned land plots on which a special economic zone is established, intended for implementation of priority types of activities, construction of infrastructure facilities, as well as the implementation of auxiliary types of activities, shall be provided for temporary fee-based land use (rent) to the management company of the special economic zone in accordance with the Land Code of the Republic of Kazakhstan for the period of establishment of a special economic zone.

The management company shall transfer the state-owned land plots:

1) to the participants of the special economic zone, carrying out priority types of activities on the basis of contracts on activities, free of charge;

2) to the persons, carrying out auxiliary types of activities, on a paid-for basis.

The total area of the territory of the special economic zone intended for the implementation of auxiliary types of activities shall not exceed ten percent of the total area of the territory of the special economic zone.

At the same time, the division of the land plots among the participants of special economic zones shall be performed by a management company of a special economic zone.

In accordance with the contracts on activities, the management company of the special economic zone shall be obliged to reserve a part of the land plot, provided for implementation of the project of the participant in the special economic zone, in accordance with the steps, defined in it. At that, the land plots, reserved in this way, cannot be transferred to other persons or otherwise alienated by the management company without the consent of the participant in the special economic zone with whom the specified contract is concluded, unless such participant has not fulfilled obligations for the phased implementation of the project.

Infrastructure objects, established fully or partially at the expense of budget funds on the state-owned land plots, transferred for temporary paid land use (rent) can be transferred to the

management company for property rental (rent), trust management, and also for replenishment of the authorized capital in accordance with the legislation of the Republic of Kazakhstan.

The management company can transfer infrastructure objects to the persons, engaged in auxiliary types of activities, and (or) participants in a special economic zone, for property lease (rental) or sublet (sublease) of infrastructure facilities, established fully or partially at the expense of budget funds on the state-owned land plots, transferred to the secondary land use (sublease).

4. Land plots on which a special economic zone is established must be provided with infrastructure facilities at the expense of budget funds and (or) other sources not prohibited by the legislation of the Republic of Kazakhstan.

The procedure for financing the construction or reconstruction of infrastructure facilities at the expense of budget funds shall be determined by the budget legislation of the Republic of Kazakhstan.

Participants in the special economic zone or persons carrying out auxiliary types of activities shall have the right, at their own expense, to construct the necessary infrastructure facilities in the territory of the land plot, transferred to them.

5. Privately owned land plots, on which a special economic zone is established, intended for implementation of priority and (or) auxiliary types of activities, may be transferred by their owners to the management company for temporary use (lease) in accordance with a contract for temporary use (lease) of privately owned land plots on which a special economic zone is established.

The management company shall have the right to transfer the privately owned land plots, on which a special economic zone is established, intended for implementation of priority and (or) auxiliary types of activities, for temporary secondary use (sublease) to the participants of the special economic zone or persons, engaged in auxiliary types of activities, in accordance with the contract for temporary secondary use (sublease) of privately owned land plots on which a special economic zone is established.

Contracts for temporary use (lease) of privately owned land plots, on which a special economic zone is established, and temporary secondary use (sublease) of privately owned land plots, on which a special economic zone is established, shall be concluded for a period not exceeding the period of establishment of such a special economic zone, in accordance with the model contracts for temporary use (lease) of privately owned land plots on which a special economic or industrial zone is established and temporary secondary use (sublease) of privately owned land plots on which a special economic or industrial zone is established, respectively.

The owner of a land plot shall be entitled to carry out activities on the territory of a special economic zone as a participant in a special economic zone or a person carrying out auxiliary types of activities in accordance with the requirements of this Law. At that, a contract for

temporary use (lease) of privately owned land plots, on which a special economic zone is established, shall not be concluded with the owner of the land plot.

6. The provisions of paragraphs 2, 3 and 4 of this article shall not apply to the land plots that are privately owned by participants in special economic zones, established prior to the enactment of this Law.

7. On the territory of special economic zones, when providing state and other services, the principle of "one window" shall be applied, which ensures:

- 1) timely and high-quality rendering of state and other services;
- 2) provision of information assistance on the state and other services rendered.

8. The state services on the principle of "one window" shall be rendered 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.

Other services on the principle of "one window" can be rendered by the management company of the special economic zone.

9. Indication of time frames during which the participants in special economic zones or persons carrying out auxiliary types of activities must construct and commission facilities necessary for activities in the territory of a special economic zone shall be a prerequisite in contracts:

- 1) on activities;

2) for temporary paid land use (lease) and secondary land use (sublease) of state-owned land plots on which a special economic zone is established, concluded between the management company and a participant in the special economic zone or a person, engaged in auxiliary types of activities;

3) for temporary use (lease) and temporary secondary use (sublease) of privately owned land plots, on which a special economic or industrial zone is established, concluded between the owner of the land plot and a participant in a special economic zone or a person, engaged in auxiliary types of activities.

Article 18. Procedure for consideration of an application for performance of activities as a participant in a special economic zone

1. The activity of a participant in a special economic zone shall be carried out in accordance with a contract on activities, for conclusion of which the applicant submits an application for carrying out activities as a participant in a special economic zone to a management company of a special economic zone in accordance with this article.

2. Applicants shall not be:

- 1) subsoil users;

2) organizations producing excisable goods, except for organizations engaged in the production, assembly (assembling) of excisable goods, provided for by subparagraph 6) of Article 462 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (the Tax Code);

- 3) organizations and individual entrepreneurs, applying special tax regimes;
- 4) organizations, applying (having applied) investment tax preferences - under the contracts, concluded with the authorized investment body until January 1, 2009;
- 5) organizations, implementing (having implemented) an investment priority project and an investment strategic project in accordance with the legislation of the Republic of Kazakhstan on investments;
- 6) organizations, operating in the field of gambling business.

At the same time, in relation to the special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, foreign individuals and legal entities shall also not be the applicants.

3. Unless otherwise provided by paragraph 4 of this article, the following documents on paper and (or) electronic media shall be attached to the application for implementation of activities as a participant in a special economic zone:

- 1) the applicant's questionnaire in the form, approved by the authorized body;
- 2) certificate of state registration (re-registration) of a legal entity;
- 3) a copy of the document, certifying the identity of the first head of the applicant;
- 4) a copy of the charter of the legal entity;
- 5) a copy of the decision of the supreme body of the legal entity on the implementation of activities in the territory of the special economic zone;
- 6) a copy of the financial statements for the last reporting date, signed by the first head of the applicant or his deputy, as well as the chief accountant (accountant);
- 7) the feasibility study of the project that meets the requirements, established by the authorized body.

When applying for activities as a participant in a special economic zone in the field of information and communication and innovation technologies, a project justification shall be attached;

8) an extract from the servicing bank about the movement of money in the applicant's bank accounts and a credit report from the credit bureau;

9) a certificate of the state revenue authority at the place of registration about the presence or absence of tax arrears and other obligatory payments to the budget.

If the legal entity at the time of filing is not a resident of the Republic of Kazakhstan and is not registered as a taxpayer of the Republic of Kazakhstan, then a copy of the certificate about the absence of state registration as a taxpayer in the state revenue bodies shall be submitted.

Foreign legal entities shall submit the legalized documents referred to in subparagraphs 2), 4) and 5) of part one of this paragraph, the legalized extract from the trade register or other legalized document, certifying that a foreign legal entity is a legal entity under the legislation of a foreign state with a notarized translation into the Kazakh and Russian languages.

4. The following documents on paper and (or) electronic media shall be attached to the application for implementation of activities as a participant in a special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union.

1) for an individual entrepreneur:

applicant's questionnaire in the form, approved by the authorized body;

a copy of the document, certifying the identity of the individual - applicant, registered as an individual entrepreneur;

a certificate of the state revenue authority at the place of registration about the presence or absence of tax arrears and other obligatory payments to the budget;

2) for a legal entity:

applicant's questionnaire in the form, approved by the authorized body;

a certificate of state registration (re-registration) of a legal entity;

a copy of the document, certifying the identity of the first head of the applicant;

a copy of the charter;

a copy of the decision of the supreme body of the legal entity-applicant about the implementation of activities in the territory of the special economic zone;

a copy of the financial statements for the last reporting date, signed by the first head of the legal entity - applicant or his deputy, as well as the chief accountant (accountant);

a certificate of the state revenue authority at the place of registration about the presence or absence of tax arrears and other obligatory payments to the budget.

5. When the applicant submits an application for carrying out activities as a participant in a special economic zone, the management company of the special economic zone shall be obliged to:

1) register an application for implementation of activities as a participant of a special economic zone in the register log of applications and place it on the Internet resource of the single coordination center on the day of its submission;

2) check the completeness of the package of the submitted documents.

6. The management company of the special economic zone shall consider applications for the implementation of activities as a participant in the special economic zone in accordance with the rules and criteria for selecting the projects.

7. The management company of the special economic zone shall refuse the applicant to conclude a contract on activities in the cases of non-compliance of the declared type of activity, including the types of activities within a single technological process, with the objectives of establishment of a special economic zone, priority types of activities, criteria for selecting the projects of applicants and (or) the submitted documents with the requirements, established by paragraph 3 or 4 of this article.

The decision to refuse to conclude a contract on activities with justification for its adoption should be sent by the management company of the special economic zone in writing

to the applicant and posted on the Internet resource of the single coordination center within ten working days from the date of filing the application for implementation of activity as a participant in the special economic zone.

8. If the declared types of activities, including the types of activities within a single technological process, comply with the objectives of establishment of a special economic zone, priority types of activities, criteria for selecting the projects of applicants and the submitted documents with the requirements, established by paragraph 3 or 4 of this article, within ten working days from the date of filing the application for the implementation of activities as a participant in the special economic zone, the management company of the special economic zone shall sign a contract on activities.

9. The management company of the special economic zone not later than the next working day from the moment of the conclusion of the contract on activities shall send a copy of a contract on activities to the single coordination center and state revenue bodies and shall post information on the conclusion of the contract on activities on the Internet resource of the single coordination center.

10. Within five working days after receiving a copy of the contract on activities, the single coordination center shall enter the information on the applicant into the single register of participants in special economic zones and issue a certificate, certifying that the person is registered as a participant of a special economic zone.

From the day the information is entered into the single register of participants in special economic zones, the applicant shall be recognized as a participant in the special economic zone, and the single coordination center shall notify the management company of the special economic zone about it. Information on entering into the single register of participants of special economic zones of the applicant shall be posted on the Internet resource of the single coordination center.

11. After receiving a certificate, certifying the registration of a person as a participant in a special economic zone, a participant in a special economic zone shall be entitled to receive tax benefits in the implementation of priority types of activities in the special economic zone in the manner, established by the tax legislation of the Republic of Kazakhstan.

12. After receiving a copy of the contract on activities, the state revenue bodies shall keep records of the participant in the special economic zone in the manner, established by the legislation of the Republic of Kazakhstan.

13. A contract on activities shall be terminated:

- 1) when the special economic zone is abolished;
- 2) upon expiration or early termination of the contract on activities;
- 3) in other cases, stipulated by this Law, civil legislation of the Republic of Kazakhstan or a contract on activities.

The management company of the special economic zone shall notify the state revenue authorities of the termination of the contract on activities not later than five working days from the date of termination of the contract on activities.

14. A participant in the special economic zone, within one calendar year from the date of signing the contract on activities, shall be obliged to confirm that there is a financial security in the amount corresponding to the feasibility study (rationale) of the project.

Financial support for a participant in a special economic zone shall be formed in the following ways:

- 1) money;
- 2) bank guarantee;
- 3) a guarantee;
- 4) a pledge of property;
- 5) insurance contract.

A participant in the special economic zone shall have the right to choose any of the methods of financial support, including by combining several methods.

The provisions of this paragraph shall not apply to participants in a special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union.

Article 19. Procedure for inclusion of a type of activity in the list of priority types of activity in the context of special economic zones

1. A potential participant of a special economic zone or a management company of a special economic zone shall have the right to apply to the authorized body with an application on inclusion of a type of activity in the list of priority types of activity.

The application on inclusion of the type of activity in the list of priority types of activity shall be submitted by the authorized body to the special commission for consideration within five working days from the moment the authorized body receives such application.

A special commission shall carry out its activities within the limits of powers, established by the legislation of the Republic of Kazakhstan and the provision on a special commission.

2. A special commission shall consist of representatives, entitled to vote:

- 1) an authorized body (presiding);
- 2) an authorized body in the field of tax policy;
- 3) an authorized body on entrepreneurship;
- 4) an authorized state body, managing in the field of provision of tax revenues and other obligatory payments to the budget;
- 5) the central authorized body for state planning;
- 6) the central authorized body for budget planning;
- 7) The National Chamber of Entrepreneurs of the Republic of Kazakhstan.

For the work of a special commission, other interested persons who are not entitled to vote may also be involved.

A meeting of the special commission shall be considered valid if all members eligible to vote take part in it.

3. The decision to include a type of activity that is not provided for by the list of priority types of activity to the list of priority types of activity shall be made by a special commission by a majority vote by voting. In case of equality of votes, the vote of the presiding chairman shall be decisive.

4. Based on the positive decision of the special commission:

1) the authorized body shall approve the inclusion of an additional types of activity in the list of priority types of activities;

2) the management company of the special economic zone shall conclude a contract on activities with the applicant.

Article 20. Procedure for depriving the status of a participant in a special economic zone

1. In the event that a participant of a special economic zone does not comply with the requirements, provided for by paragraph 14 of Article 18 of this Law, a contract on activities with such participant shall be subject to termination in the manner, provided for by this Law, the civil legislation of the Republic of Kazakhstan and the contract on activities.

2. The management company of the special economic zone shall initiate the termination of the contract on activities in the event of a violation by the participant of the special economic zone of essential conditions, determined by the contract on activities. In case of failure of a participant of a special economic zone to fulfill the obligations, the acts of non-fulfillment by a participant of a special economic or industrial zone of obligations, determined by the contract on activities, shall be drawn up.

The management company of the special economic zone shall notify the participant of the special economic zone about non-fulfillment of the obligations, specified in the contract on activity and the need to eliminate the violation within a period of not more than sixty calendar days.

In the event that the participant of the special economic zone does not take measures to eliminate the above violations, the management company of the special economic zone shall notify the participant of the special economic zone at least ten working days in advance about the termination of the contract on activities and the contract of secondary land use (sublease) or a contract of temporary secondary use (sublease) of a land plot.

3. Within two working days from the date of termination of the contract on activities, the management company of the special economic zone shall notify the participant of the special economic zone, the state revenue body, the single coordination center, as well as the local executive body of the region, the city of republican significance, the capital about it.

Article 21. Requirements for persons, applying for auxiliary types of activities in the territory of a special economic zone

1. Auxiliary types of activities shall be carried out in accordance with the contract on activities concluded by the management company of the special economic zone with the

person, carrying out the auxiliary types of activities in the territory of a special economic zone

2. Persons applying for auxiliary types of activities in the territory of a special economic zone must comply with the following requirements:

- 1) to be a Kazakhstani manufacturer of goods, works, services;
- 2) must be registered as an individual entrepreneur or a legal entity in the manner, established by the legislation of the Republic of Kazakhstan.

3. If the requirements, specified in paragraph 2 of this article, are met, the persons, applying for auxiliary types of activities shall submit an application to the management company of a special economic zone about the admission as a person carrying out an auxiliary type of activity.

Documents on paper and (or) electronic media shall be attached to the application in accordance with the list of documents for admission of persons to auxiliary types of activities.

Article 22. Grounds and procedure for admission of persons to auxiliary types of activity

1. When applying for admission as a person carrying out an auxiliary type of activity, the management company of the special economic zone shall:

- 1) verify the compliance of the submitted documents with the list of documents for admission of persons to the auxiliary types of activities;
- 2) register an application for admission as a person carrying out an auxiliary type of activity in the register log of applications. The date of registration of the application for admission as a person carrying out an auxiliary type of activity shall be the day of its submission.

2. If the submitted documents comply with the list of documents for admission of persons to the auxiliary types of activities, the management company of the special economic zone, within three working days from the date of registration of the application, shall conclude a contract on activities and notify the public revenue authority, in the zone of activity of which the special economic zone operated, about the admission of a person to the auxiliary types of activity in the territory of a special economic zone.

3. Persons applying for auxiliary types of activities in the territory of the special economic zone may also sign a contract with a participant of the special economic zone in agreement with the management company of the special economic zone to receive such right to perform certain types of work and services.

4. In the event that the submitted documents do not comply with the list of documents for admission of persons to auxiliary types of activities, the management company of the special economic zone shall return an application for admission as a person carrying out the auxiliary types of activity within three working days from the date of registration of such an application. Returning of an application for admission as a person carrying out an auxiliary type of activity shall not deprive a person of the right to make a second application after the elimination of the shortcomings.

Article 23. Provision of communal public services in the territory of a special economic zone

Providers, supplying the territory of the special economic zone with electric, thermal energy, gas, water and providing utility services must provide access to such services, similar to other consumers of such services.

Article 24. Abolition of a special economic zone

1. A special economic zone shall be abolished upon the expiration of the term for which the special economic zone was established.

2. After the abolition of the special economic zone, the participants of the special economic zone, who own the right of secondary land use (sublease) of land plots on the territory of the special economic zone, shall have the right to purchase them in the manner and on the grounds, established by the Land Code of the Republic of Kazakhstan, subject to the restrictions, provided for allocation of land plots, located in the border zone and the border strip of the Republic of Kazakhstan.

At the same time, the territory of such a special economic zone shall acquire the status of an industrial zone of republican significance, its management company - the status of the management company of the industrial zone, and the participants in such a special economic zone and persons, carrying out auxiliary types of activities - the status of participants in the industrial zone.

Article 25. Transfer of the right to participate in a special economic zone

1. For the purposes of this article, the right to participate in a special economic zone shall mean the right of a legal entity, registered as a participant of a special economic zone and included in a single register of participants of special economic zones to carry out priority types of activities in the territory of a special economic zone.

2. When a legal entity that has the right to participate in a special economic zone is merged with legal entities that have the same right, the right to participate in a special economic zone shall be re-registered in the manner, specified in this article.

In the case of a merger of a legal entity that has the right to participate in a special economic zone with other legal entities, the right to participate in a special economic zone shall be re-registered to the legal entity that has emerged as a result of the merger in accordance with paragraph 3 or 4 of Article 18 of this Law.

3. When transforming a legal entity of one type that has the right to participate in a special economic zone, into a legal entity of another type, the right to participate in a special economic zone shall be subject to re-registration to a newly emerged legal entity in the manner, prescribed by this article, except when for the legal form of a legal entity that has emerged as a result of the transformation of a legal entity, any of the types of activities in the special economic zone is prohibited by the laws of the Republic of Kazakhstan.

4. When a legal entity that has the right to participate in a special economic zone joins another legal entity, the right to participate in a special economic zone shall be subject to

re-registration to the legal entity that has newly emerged as a result of the accession of the legal entity in accordance with paragraph 3 or 4 of Article 18 of this Law.

If a legal entity that has the right to participate in a special economic zone joins a legal entity that has the same right, the right to participate in a special economic zone shall be re-registered in the manner, prescribed by this article.

5. When one or several legal entities are separated from a legal entity that has the right to participate in a special economic zone, the right to participate in a special economic zone shall be subject to re-registration to the newly emerged legal entities in accordance with paragraph 3 or 4 of Article 18 of this Law, subject to the consent of the reorganized legal entity.

6. When a legal entity that has the right to participate in a special economic zone is divided, the right to participate in a special economic zone shall be subject to re-registration to the legal entities that have emerged as a result of the separation in accordance with paragraph 3 or 4 of Article 18 of this Law, subject to the consent of the reorganized legal entity.

7. The re-registration of the right to participate in a special economic zone in the cases provided for in part one of paragraph 2, paragraph 3, and part two of paragraph 4 of this article shall be carried out on the basis of an application of the newly established legal entity to the management company of the special economic zone with the attached documents confirming the reorganization.

The re-registration of the right to participate in a special economic zone in other cases provided for by this article shall be allowed, provided that the requirements specified by this Law are met.

Chapter 4. ESTABLISHMENT AND FUNCTIONING OF INDUSTRIAL ZONES

Article 26. Types of industrial zones

Industrial zones shall be divided into public and private ones.

State industrial zones shall be divided into the following types:

- 1) industrial zone of republican significance;
- 2) industrial zone of regional significance;
- 3) a small industrial zone.

Article 27. General provisions on establishment of an industrial zone

1. Unless otherwise established by paragraph 2 of this article, an industrial zone of regional significance shall be an industrial zone if it is intended to be fully or partially financed from the local budget.

2. An industrial zone of republican significance shall be:

1) an industrial zone if it is intended to be fully or partially financed from the republican budget;

2) an industrial zone, which acquired a status after abolition of the special economic zone in accordance with Article 24 of this Law.

3. The local executive body, within twenty working days from the moment of establishment of an industrial zone provided for in paragraph 1 or 2 of this article, shall inform the single coordinating center about this.

4. A private industrial zone shall be established by individual or non-state legal entities at their own expense, private investment, loans.

Financing of construction (reconstruction) of infrastructure facilities to the border of a private industrial zone shall be carried out in the manner, determined by the Government of the Republic of Kazakhstan.

At the same time, individual or non-state legal entities - owners of private industrial zones within twenty working days from the moment of establishment of the industrial zone shall inform the single coordination center about this.

5. A small industrial zone shall be established and shall function in accordance with the rules for establishment and functioning of small industrial zones.

At the same time, a small industrial zone should be located on the territory of the commissioned production and other buildings (premises), which are transferred to small and medium-sized businesses in accordance with the legislation of the Republic of Kazakhstan.

6. To establish the industrial zones of republican and regional significance, private investment may be attracted in accordance with the legislation of the Republic of Kazakhstan.

7. All transactions in the industrial zone related to the use of its status shall be valid after the industrial zone is included in the unified register of industrial zones.

8. Participants shall be admitted to carry out activities in the territory of the industrial zone on the basis of contracts on activities, concluded between the management company of the industrial zone and the participants in the industrial zone.

Such contracts shall be drawn up on the basis of a standard contract on activities. All participants of industrial zones, regardless of their type, shall be guaranteed the stability of the concluded contracts in accordance with their conditions.

The standard form of the contract on activities shall provide for mandatory and unchanged conditions for all types of industrial zones and conditions that can be changed by agreement of the parties.

Article 28. Procedure for establishment of an industrial zone of republican significance

1. The proposal to establish an industrial zone of republican significance with the feasibility study and concept attached shall be made by the local executive body of the region, the city of republican significance, the capital to the authorized body.

2. Within five working days from the date of submission of the proposal to establish an industrial zone of republican significance, the authorized body shall verify the concept of establishing an industrial zone of republican significance for compliance with the requirements for the concepts of establishing special economic and industrial zones.

According to the results of the verification of the concept, the authorized body within three working days shall notify the local executive body about the submission of the concept to the expert council for consideration or shall send a reasoned refusal due to the non-compliance of the concept with the specified requirements.

The expert council shall prepare the conclusion within a period not later than twenty working days from the date of submission of the proposal on the establishment of an industrial zone of republican significance.

3. In the event that the expert council gives a positive conclusion, the authorized body, within five working days after such a conclusion is made, shall give a written consent for the establishment of an industrial zone of republican significance.

Such consent shall be the basis for a decision of the local executive body of the region, the city of republican significance, the capital on the establishment of an industrial zone of republican significance.

4. In the event that the expert council makes a negative conclusion, the authorized body shall reject the proposal to establish an industrial zone of republican significance.

The expert council shall issue a negative conclusion in the following cases:

- 1) the economic inexpediency of establishing an industrial zone of republican significance ;
- 2) inconsistency of the proposal to establish an industrial zone of republican significance with the priorities of the state economic policy;
- 3) inconsistency of the proposal with the requirements in the field of environmental protection;
- 4) the need to protect the life and health of people, especially protected natural territories, the threat of destruction and damage to the objects of historical and cultural heritage and the national security of the country.

A motivated refusal on the grounds provided for in part two of this paragraph shall be sent by the authorized body to the local executive body of the region, the city of republican significance, the capital, in writing, within three working days from the date of the issuance of the conclusion by the expert council.

Rejection of a proposal to establish an industrial zone of republican significance shall not be an obstacle to the subsequent appeal with the same proposal.

5. After the decision on the establishment of an industrial zone of republican significance is made, the local executive body of the region, the city of republican significance, the capital, at the place of the planned establishment of an industrial zone of republican significance, shall establish or define a management company of the industrial zone of republican significance with provision of a land plot for placement of such an industrial zone in the manner, established by the Land Code of the Republic of Kazakhstan.

6. The relevant local executive body within ten working days from the date of the provision of the land plot for the placement of an industrial zone of republican significance shall inform the single coordination center about it.

7. The requirements of this article shall not apply to the cases of establishment of an industrial zone of republican significance in the manner, provided for by article 24 of this Law.

Article 29. Procedure for establishment of an industrial zone of regional significance

1. The decision to establish an industrial zone of regional significance shall be taken by the local executive body of the region, the city of republican significance, the capital.

In parallel with the decision-making by the relevant local executive body, the concept of establishing an industrial zone of regional significance shall be developed with its placement on the Internet resource of the local executive body.

2. The concept of establishing an industrial zone of regional significance should contain:

- 1) the purpose of establishing an industrial zone;
- 2) a list of criteria for selection of projects of the industrial zone;
- 3) environmental impact assessment;
- 4) the expected financial, economic and social consequences;
- 5) the location map of the industrial zone;
- 6) data on the compliance of the measures provided for in the concept with the documents of the state planning system;
- 7) calculations of the amount of funding for the implementation of activities in the context of each component and the possibility of achieving direct and final results;
- 8) a draft plan for development of the industrial zone and its infrastructure.

3. The draft decision of the local executive body on the establishment of an industrial zone of regional significance shall be submitted for consideration on the mandatory basis to the Public council of the relevant administrative and territorial unit.

4. After the decision on establishment of an industrial zone of regional significance is made, the local executive body of the region, the city of republican significance, the capital, at the place of the planned establishment of an industrial zone of regional significance shall establish or define a management company of the industrial zone or allocate a land plot in accordance with the procedure, established by the Land Code of the Republic of Kazakhstan.

5. The relevant local executive body within ten working days from the moment of provision of the land plot for placement of an industrial zone of regional significance shall inform the single coordination center about it.

Article 30. Procedure for establishment of a private industrial zone

1. Private industrial zones shall be established by individual or non-state legal entities that are owners:

- 1) of land plots that obtain the status of a private industrial zone;

2) of infrastructure facilities on these land plots necessary for carrying out business activities on their territory.

2. Owners of private industrial zones shall, without fail, coordinate with the local executive body of the region, the city of republican significance, the capital, the concept of establishing a private industrial zone, including:

- 1) the purpose of establishing an industrial zone;
- 2) environmental impact assessment;
- 3) the scheme of the proposed location of the industrial zone.

3. The local executive body of the region, the city of republican significance, the capital within ten calendar days from the moment of receipt of the concept of establishing a private industrial zone shall consider this concept for compliance with the general development plan of the relevant settlement and the requirements of the environmental legislation of the Republic of Kazakhstan.

4. After coordination of the concept of establishment of a private industrial zone with a local executive body of the region, the city of republican significance, the capital, the owner of a private industrial zone must register or define a legal entity in the form of a limited liability partnership or joint-stock company in order to operate as the management company of the industrial zone.

5. The owners of private industrial zones within twenty working days from the date of registration of the management company of the private industrial zone shall inform the single coordination center about this.

6. Management companies of private industrial zones must conclude contracts on activities with the participants of industrial zones in accordance with paragraph 8 of Article 27 of this Law.

Article 31. Procedure for changing the boundaries and (or) area of the territory of industrial zones

1. A proposal to change the boundaries and (or) area of the territory of industrial zones shall be submitted:

1) for industrial zones of republican significance - to the authorized body by the local executive body of the region, the city of republican significance, the capital;

2) for industrial zones of regional significance - to the relevant local executive body of the region, the city of republican significance, the capital by individual or legal entities interested in changing the boundaries and (or) area of the territory of the industrial zone.

After registration of the title documents for the land plot, the local executive body of the region, the city of republican significance, the capital, shall notify the single coordination center of the changes made.

2. Changing the boundaries and (or) area of the territory of a private industrial zone shall be carried out by decision of its owner in accordance with the Land Code of the Republic of

Kazakhstan. After registration of the title documents on land plot, the owner of the private industrial zone shall notify the single coordination center of the changes made.

3. The proposal to change the boundaries and (or) area of the territory of industrial zones shall be attached with:

1) the concept of proposed changes, including justifications and financial and economic calculations;

2) environmental impact assessment.

4. The issue on the rationale for changing the boundaries and (or) area of the territory of industrial zones of republican or regional significance shall be considered within twenty working days from the date of making such a proposal. After this period, the initiator of such a proposal shall receive a conclusion on the outcome of the consideration of the proposal to change the boundaries and (or) area of the territory of industrial zones.

5. In case of approval of the change of boundaries and (or) area of the territory of the industrial zone of republican or regional significance, the local executive body of the region, city of republican significance, the capital shall register the land plot in accordance with the Land Code of the Republic of Kazakhstan at the location of such industrial zone.

6. The decision to change the boundaries and (or) area of the territory of a private industrial zone shall be taken by its owner.

Article 32. Grounds for rejection of proposals on changing boundaries and (or) area of the territory of industrial zones

1. A proposal to change the boundaries and (or) area of the territory of the industrial zone of republican or regional significance may be rejected in the following cases:

1) inconsistency of the proposal to change the boundaries and (or) area of the territory of the industrial zone with the priorities of the state economic policy;

2) inconsistency of the proposal to change the boundaries and (or) area of the territory of the industrial zone with the requirements in the field of environmental protection;

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

4) the groundlessness of the proposal to change the boundaries and (or) area of the territory of the industrial zone.

2. The local executive body may reject the registration of title documents for a land plot when changing boundaries and (or) area of the territory of a private industrial zone in the following cases:

1) inconsistency of the proposal to change the boundaries and (or) area of the territory of the industrial zone with the requirements in the field of environmental protection;

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

3) the absence of title documents, confirming the ownership of the initiator of the application for land plots to which it is planned to extend the status of a private industrial zone;

4) the lack of consent of the owner (land user) of the land plot in whose territory the part of the territory of the private industrial zone is planned to be located when changing the boundaries and (or) area of the territory of a private industrial zone.

3. The rejection of the proposal to change the boundaries and (or) area of the territory of the industrial zone shall not be an obstacle to the subsequent appeal with the proposal to change the boundaries and (or) area of the territory of the industrial zone.

Article 33. Conditions of functioning of industrial zones

1. Industrial zones of republican and regional significance shall be established for a period of not less than twenty years on the state owned land plots and not provided for land use in accordance with the Land Code of the Republic of Kazakhstan.

2. The period of functioning of the industrial zone, specified in paragraph 1 of this article, may be extended by the decision of the local executive body.

3. State-owned land plots on which an industrial zone is being established shall be provided for temporary paid land use (rent) to the management company of the industrial zone in accordance with the Land Code of the Republic of Kazakhstan for the period of establishment of the industrial zone.

The management company shall transfer the land plots to the participants of the industrial zone of republican or regional significance on the basis of contracts on activities in accordance with this Law.

In this case, the division of land plots among the participants of the industrial zone shall be carried out by the management company of the industrial zone. Selective approach shall not be allowed in such division.

The right of temporary use (lease) to the land plot, used to locate a private industrial zone shall be granted to the management company of the private industrial zone for a period determined by the owner of the land plot.

Land plots shall be provided to the participants of a private industrial zone for a period, defined in the contract, concluded between them and the management company of the industrial zone, for temporary secondary use (sublease) of privately owned land plots on which the industrial zone is being established.

In accordance with the contracts on activities, the management company shall be obliged to reserve a part of the land plot provided for implementation of the project of a participant in the industrial zone in accordance with the steps, defined in it. At the same time, the land plots reserved in this way cannot be transferred to other persons or otherwise alienated by the management company without the consent of a participant in the industrial zone with whom the specified contract is concluded, unless such participant has not fulfilled the obligations for the phased implementation of the project.

4. Infrastructure facilities established fully or partially at the expense of budget funds on the state-owned land plots transferred for temporary paid land use (rent) may be transferred to the management company of the industrial zone into the property rent (lease), trust management, and for replenishment of the authorized capital in accordance with the legislation of the Republic of Kazakhstan.

The management company of the industrial zone can transfer the infrastructure facilities to the participants of the industrial zone for property rent (lease) or sublease (sublet), established fully or partially at the expense of budget funds on the state-owned land plots, transferred for temporary use under the conditions, stipulated in the contracts of trust management or property rental (lease).

5. Land plots on which an industrial zone of republican or regional significance is being established should be provided with the infrastructure facilities at the expense of budget funds and (or) other sources not prohibited by the legislation of the Republic of Kazakhstan.

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

The participants of the industrial zone shall be entitled to build at their own expense the necessary infrastructure facilities on the territory of the land plot, transferred to them. The construction of such facilities shall be carried out in agreement with the management company of the industrial zone.

6. Privately owned land plots on which a private industrial zone is being established shall be transferred by their owners to the management company for temporary use (rental) or gratuitous temporary use on the basis of contracts for temporary use (lease) of privately owned land plots on which an industrial zone is being established, and by the management company to the participants of the industrial zone – on the basis of contracts for temporary secondary use (sublease) of privately owned land plots on which an industrial zone is being established.

The owner of the land plot shall be entitled to carry out activities in the territory of a private industrial zone as the founder of the management company and (or) participant in the private industrial zone in accordance with the requirements of this Law. At the same time, a contract of temporary use (lease) of privately owned land plots, on which a private industrial zone is being established, shall not be concluded with the owner of the land plot.

7. The provisions of paragraph 6 of this article shall not apply to privately owned land plots of participants of private industrial zones, established prior to the enactment of this Law.

8. On the territory of industrial zones in the provision of state and other services, the principle of "one window" shall be applied, ensuring:

- 1) timely and high-quality provision of state and other services;
- 2) provision of information assistance on the state and other services rendered.

9. The state services on the principle of "one window" shall be rendered on the territory of the industrial zone of republican or regional significance by the State Corporation "Government for Citizens" in accordance with the legislation of the Republic of Kazakhstan.

Rendering of other services on the principle of "one window" can be carried out by the management company of the relevant industrial zone.

Article 34. Performance of activities as a participant in the industrial zone of republican or regional significance

1. The activity of a participant in an industrial zone of republican or regional significance shall be carried out in accordance with a contract on activities, for the conclusion of which the applicant submits an application to the management company of an industrial zone of republican or regional significance in accordance with the rules and criteria for selection of projects for special economic and industrial zones.

2. The management company of the industrial zone of republican or regional significance shall conclude contracts on activities with potential participants subject to a positive decision on admission of such persons to the industrial zone by the relevant regional coordination council.

3. The contract on activities shall be terminated:

- 1) upon expiration or early termination of the contract on activities;
- 2) in other cases, stipulated by this Law, civil legislation of the Republic of Kazakhstan or a contract on activities.

4. The management company of the industrial zone of republican or regional significance shall terminate a contract on activities in the event of a violation by the participant of the industrial zone of the essential conditions, determined by the contract on activities. In case of detection of non-fulfillment of obligations by the participant of the industrial zone, the acts shall be drawn up on non-fulfillment of obligations by a participant of a special economic or industrial zone, determined by a contract on activities.

The management company of the industrial zone of republican or regional significance shall notify the participant of the industrial zone about non-fulfillment of obligations, defined by the contract on activities, and the need to eliminate violations in a period of not more than sixty calendar days.

In case of failure to take measures to eliminate such violations by a participant of the industrial zone, the management company of the industrial zone shall notify the participant in the industrial zone not less than ten working days before the termination of the contract on activities and (or) a contract of temporary secondary use (sublease) of the land plot.

5. A participant of an industrial zone of republican or regional significance shall have the right to purchase a land plot into ownership in the manner and on the grounds, established by the Land Code of the Republic of Kazakhstan.

Article 35. Abolition of an industrial zone of republican or regional significance

1. An industrial zone of republican or regional significance shall be abolished upon the expiration of the period for which this industrial zone was established.

The period of activity of the industrial zone of republican or regional significance shall be determined by the relevant decision of the local executive body of the region, the city of republican significance, the capital on the establishment of such an industrial zone.

2. After the abolition of the industrial zone of republican or regional significance, participants in such an industrial zone shall have the right to purchase land plots in the manner and on the grounds, established by the Land Code of the Republic of Kazakhstan, subject to the restrictions, specified for the provision of land plots, located in the border zone and boundary strip of the Republic of Kazakhstan.

If a participant of the industrial zone of republican or regional significance does not complete the construction of real estate objects and (or) the related buildings (structures) at the time of the abolition of the industrial zone of republican or regional significance, the local executive authorities shall be granted the right for temporary paid land use (lease) for a period not exceeding three years.

3. From the moment of the abolition of the industrial zone of republican or regional significance, the contracts on activities concluded with the participants of such an industrial zone shall cease to apply.

The management company of the industrial zone, being abolished, shall be subject to liquidation in accordance with the civil legislation of the Republic of Kazakhstan.

Chapter 5. SINGLE COORDINATION CENTER

Article 36. Single coordination center

1. A single coordination center shall be a legal entity that coordinates the activities of special economic and industrial zones.

2. The tasks of the single coordination center shall be the development, promotion and increase of the investment attractiveness of special economic and industrial zones.

3. For the purpose of effective and stable development of special economic and industrial zones in the Republic of Kazakhstan, a single coordination center shall have the right to attract and use sources of financing that are not prohibited by the legislation of the Republic of Kazakhstan.

4. In its activities, the single coordination center shall be accountable to the authorized body.

The leadership of the single coordination center shall be appointed and dismissed by the authorized body.

Article 37. Competence of a single coordination center

The competence of the single coordination center shall include:

1) interaction with state bodies, participants (shareholders) of management companies, management companies of special economic and industrial zones, participants of special economic and industrial zones on the issues of registration of participants in special economic and industrial zones, financing and development of the infrastructure of special economic and industrial zones;

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

3) trust management of shares in the authorized capital (shares) of management companies of special economic and industrial zones owned by the state;

4) maintenance of a unified register of participants in special economic zones;

5) issuance of a certificate, certifying the registration of a person as a participant of a special economic zone;

6) maintenance of a unified register of industrial zones;

7) monitoring of the fulfillment of the terms of contracts on activities in the territories of special economic and industrial zones;

8) monitoring of the state of infrastructure facilities of special economic and industrial zones;

9) monitoring of the achievement of target indicators by the management company of a special economic or industrial zone, embedded in the development strategy;

10) rendering of services for development and promotion of special economic and industrial zones, including:

development and introduction of the management model, internal business processes and corporate documents in management companies of special economic and industrial zones;

development of recommendations (proposals) on the development strategy of special economic and industrial zones, criteria for selection of projects for special economic zones, planning of financing for management companies of special economic and industrial zones, development of financing plans (drawing up and consolidating the budget) of special economic and industrial zones;

training of employees of management companies of special economic and industrial zones ;

conducting the market analysis and consulting the management companies of special economic and industrial zones to develop a marketing strategy for special economic and industrial zones;

conducting the target marketing;

conducting the project analysis;

ensuring the promotion of domestic special economic and industrial zones in the international market;

providing the information support for the activities of potential participants in special economic and industrial zones;

assisting in attracting potential investors to special economic and industrial zones;
11) to assist in achieving the target indicators of the strategic documents of the authorized body.

Chapter 6. MANAGEMENT OF SPECIAL ECONOMIC ZONES

Article 38. Establishment of a management company of a special economic zone

1. After the enactment of the resolution of the Government of the Republic of Kazakhstan on establishment of a special economic zone, the Government of the Republic of Kazakhstan or the local executive body of the region, the city of republican significance, the capital should decide on establishment and (or) participation in establishment of a management company of a special economic zone in the organizational and legal form of a joint stock company or limited liability partnership.

2. The founders of a management company in case of establishment of a special economic zone may be:

- 1) the Government of the Republic of Kazakhstan;
- 2) the local executive body of the region, the city of republican significance, the capital.

The management company can also be established with the participation of a non-state legal entity, including a foreign legal entity, having experience in managing special economic zones in other countries or the Republic of Kazakhstan, taking into account the specifics, established by the legislation of the Republic of Kazakhstan on joint-stock companies.

At the same time, the state in the established management company should own not more than twenty-six percent of the shares in the authorized capital (voting shares) of the management company.

The procedure of sale to a non-state legal entity, including a foreign legal entity, of a state-owned shareholding of joint-stock companies or shares in the authorized capital of limited liability partnerships shall be carried out in the manner, prescribed by Article 105 of the Law of the Republic of Kazakhstan "On state property".

Shares in the authorized capital (voting shares) of the management companies owned by the state can be transferred to trust management of a single coordination center.

3. A management company of a special economic zone may be a non-state legal entity, including a foreign legal entity, provided that the state owns not more than twenty-six percent of the shares in the authorized capital (shares) of such a management company.

The procedure for transfer to the state of the shares in the authorized capital (shares) of management companies, determined by the Government of the Republic of Kazakhstan, shall be carried out in the manner, established by the legislation of the Republic of Kazakhstan on state property.

4. The authorized body shall conclude a contact with the management company of a special economic zone, in the establishment of which a non-state legal entity participates, on

proper performance of the functions of the management company of the special economic zone.

5. In the event that such a management company fails to fulfill the obligations, imposed on it within the framework of a contract on proper performance of its functions, the authorized body shall have the right to terminate the contract in accordance with the Civil Code of the Republic of Kazakhstan.

6. By the decision of the founder of the management company of the special economic zone, it shall be allowed that one management company operates in several special economic zones.

7. The management company of the special economic zone can simultaneously manage an industrial zone.

8. The first constituent assembly (signing of the memorandum of association, decision of the sole founder) of the management company must be held (conducted) not later than thirty calendar days from the date of the adoption of the decision of the Government of the Republic of Kazakhstan on participation of the state in the establishment of the management company.

9. The management company of the special economic zone shall be registered at the place of location of the special economic zone in accordance with the procedure, established by the Law of the Republic of Kazakhstan “On state registration of legal entities and record registration of branches and representative offices”.

10. Shareholders (participants) shall elect to the board of directors (supervisory board) of the management company, an independent director (member of the supervisory board) from among the persons, recommended by the National Chamber of Entrepreneurs of the Republic of Kazakhstan, who heads the committee of the board of directors for strategic planning (is the chairman of the supervisory board) of the management company, as well as an independent director (member of the supervisory board) from among the persons, recommended by the single coordinating center.

11. The authorized body shall conclude a contract with the management company of the special economic zone, under which the latter assumes obligations for the proper performance of the functions of the management company of the special economic zone and achievement of key indicators.

12. The management company of the special economic zone within two months from the date of its establishment or determination shall approve, in coordination with the authorized body, the development strategy of the special economic zone for a three-year period, including annual target indicators.

This strategy shall be subject to re-approval every three years, taking into account the dynamics of development of the special economic zone.

The management companies of the special economic zone, subsequently attracted, shall operate in accordance with the previously approved development strategy of the special economic zone.

Article 39. Functions of a management company of a special economic zone

The functions of a management company of a special economic zone shall include:

- 1) interaction with state bodies on the issues of functioning of special economic zones;
- 2) provision of land plots for temporary paid land use (lease), secondary land use (sublease), temporary use (rent) or temporary secondary use (sublease) and provision for property rent (rent) or sublet (sublease) of infrastructure facilities to participants of a special economic zone, carrying out priority types of activities and persons, carrying out auxiliary types of activities;
- 3) conclusion and termination of contracts on activities;
- 4) submission to the authorized body and the single coordination center of reporting on the results of the activities of special economic zones in the manner, determined by the authorized body, based on the annual reports of the participants of special economic zones;
- 5) attraction of potential participants of the special economic zone;
- 6) attraction of investments for construction of infrastructure facilities and performance of other types of activities of special economic zones;
- 7) construction of infrastructure facilities in accordance with the approved feasibility study on the land plots not transferred to the participants of the special economic zone;
- 8) organization of the place of reception for the functioning of the State Corporation "Government for Citizens" on the principle of "one window";
- 9) monitoring of the fulfillment of the terms of contracts on activities;
- 10) conduct of marketing research on the establishment of new industries in a special economic zone;
- 11) conduct of activities for development and promotion of special economic zones;
- 12) providing 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 representatives of state bodies, associations of entities of private entrepreneurship;
- 13) attraction of investments for implementation of industrial-innovative and investment projects in a special economic zone;
- 14) interaction and work with potential participants of special economic zones, applicants, participants of special economic zones on the principle of "one window" and representation of the interests of the participants of the special economic zone in the framework of the implementation of this principle, including when interacting with state bodies in obtaining public services and other organizations in obtaining other services;
- 15) provision of utilities, logistics and maintenance services;
- 16) participation in public-private partnership projects;
- 17) provision of services for the development of business plans, feasibility studies, design and estimate documentation and other project documentation;

18) performance of construction and installation work on the territory of a special economic zone and provision of such services to the participants of a special economic zone;

19) performance of works on improvement and maintenance of the territory of the special economic zone;

20) provision of consulting and marketing services to the participants of a special economic zone;

21) implementation of technical supervision and provision of engineering services in the field of architectural, urban planning and construction activities for infrastructure facilities and business activity, built on the territory of a special economic zone;

22) other functions not contradicting the legislation of the Republic of Kazakhstan.

Article 40. Selection of persons to manage a management company of a special economic zone

1. In case a management company of a special economic zone is established by the Government of the Republic of Kazakhstan or a local executive body, the head of the management company of the special economic zone shall be appointed on the basis of the competitive selection, conducted by the authorized body together with the relevant interested state bodies and the single coordination center, within sixty calendar days from the adoption of the decision by the Government of the Republic of Kazakhstan to establish a special economic zone.

2. A positive decision of the competition commission shall be the basis for conclusion of an employment contract with the person who has passed the competitive selection.

In case of a positive decision of the competition commission, the single coordination center within ten calendar days from the date of summing up the competition results shall submit a proposal to the meeting of the board of directors of the management company to appoint the person who has passed the competitive selection to the position of the head of the management company.

The board of directors (the decision of the sole participant or the general meeting of participants) of the management company shall make a decision to conclude an employment contract with the person who has passed the competitive selection, which should contain the key indicators of his activity.

3. Failure to achieve key performance indicators shall be the basis for termination of labor relations with the head of the management company of the special economic zone.

4. In the event that the first head of the management company fails to achieve key performance indicators, the authorized body shall submit a recommendation to the board of directors on termination of the employment contract.

If the board of directors fails to take appropriate measures to terminate the employment contract, the contract on the proper performance of the functions of the management company of the special economic zone shall be terminated with such a management company.

Article 41. Rights and obligations of participants of a special economic zone

1. Participants of the special economic zone shall be entitled:

- 1) to enjoy the guarantees of legal protection, tax and other benefits, provided for by the laws of the Republic of Kazakhstan;
- 2) to receive land plots and build infrastructure facilities for performance of priority activities in the manner, established by the Land Code of the Republic of Kazakhstan and this Law;
- 3) to determine in a contract on activities the types of activities that are part of a single technological process and correspond to the goals of establishing of a special economic zone and priority types of activities;
- 4) in the process of performance of priority activities to involve the persons, carrying out an auxiliary type of activity;
- 5) to define auxiliary types of activities;
- 6) to enjoy other rights, provided for by the laws of the Republic of Kazakhstan.

2. Participants of the special economic zone shall be obliged:

- 1) to submit an annual report on their activities to the management company of the special economic zone;
- 2) to fulfill in good faith and properly the obligations, stipulated by the laws of the Republic of Kazakhstan and the contract on activities.

Article 42. Monitoring the fulfillment of the terms of contracts for performance of activities in a special economic zone

Monitoring the fulfillment of the terms of the contracts on activities shall be conducted:

by the management companies of special economic zones constantly in the framework of the execution of the contract on activities on the basis of primary documentation, as well as annual reports of participants of special economic zones;

by the local executive bodies of regions, cities of republican significance, the capital and a single coordination center based on the information, provided by the management companies of special economic zones in the form of reports, as well as information on participants of the special economic zones in accordance with this Law.

Article 43. Financing of activities of a management company of a special economic zone

Financing of activities of a management company shall be carried out at the expense of:

- 1) remuneration for services, rendered by the management company to the participants of the special economic zone;
- 2) target debt financing;
- 3) income from the lease of property (rent) and sublet (sublet) of infrastructure facilities, land plots, and other property;
- 4) funds, contributed as replenishment of the authorized capital;
- 5) budget funds;
- 6) other income from the activities of the management company not prohibited by the legislation of the Republic of Kazakhstan.

Subparagraph 5) of part one of this article shall apply only to the management company of the special economic zone, one hundred percent of the shares of which in the authorized capital (shares) belong to the state.

Chapter 7. MANAGEMENT OF INDUSTRIAL ZONES

Article 44. Establishment of a management company of an industrial zone

1. After enactment of the decision of the local executive body on the establishment of a state industrial zone, the local executive body must decide on the establishment and (or) participation in the establishment of a management company of the industrial zone. The management company of the industrial zone, except for the management company of the private industrial zone, shall be established in the organizational and legal form of a joint stock company or limited liability partnership.

2. The founders of the management company of the industrial zone may be:

1) the Government of the Republic of Kazakhstan - the management company of the industrial zone of republican significance;

2) the local executive body of the region, the city of republican significance, the capital - the management company of the industrial zone of republican or regional significance;

3) the owner of a private industrial zone in accordance with this Law.

3. The management company of an industrial zone of republican or regional significance may also be established with the participation of a non-state legal entity, including a foreign legal entity, having experience in managing industrial zones in other countries or the Republic of Kazakhstan, taking into account the specifics, established by the legislation of the Republic of Kazakhstan on joint-stock companies.

At the same time, the state in the established management company should own not more than twenty-six percent of the shares in the authorized capital (voting shares) of the management company.

The procedure of the sale to a non-state legal entity, including a foreign legal entity, of a state-owned shareholding of joint-stock companies or shares in the authorized capital of limited liability partnerships shall be carried out in the manner, prescribed by Article 105 of the Law of the Republic of Kazakhstan "On state property".

Shares in the authorized capital (voting shares) of management companies owned by the state can be transferred to trust management of a single coordination center.

4. A non-state legal entity, including a foreign legal entity, may be designated as the management company of an industrial zone, provided that the state should own not more than twenty-six percent of the shares in the authorized capital (shares) of such a management company.

The procedure for transfer to the state of the shares in the authorized capital (shares) of management companies, determined by the Government of the Republic of Kazakhstan shall

be carried out in the manner, established by the legislation of the Republic of Kazakhstan on state property.

5. The management company of the industrial zone shall be registered at the place of location of the industrial zone in the manner, prescribed by the Law of the Republic of Kazakhstan "On state registration of legal entities and record registration of branches and representative offices".

6. By the decision of the founder of the management company of the industrial zone, one management company may operate in several industrial zones.

7. The selection of persons to manage the management companies of industrial zones of republican and regional significance shall be carried out by the local executive body of the region, the city of republican significance, the capital.

In this case, the selection of persons to manage the management companies of industrial zones of republican significance shall be carried out in agreement with the authorized body.

8. The management company of the industrial zone within two months from the date of its establishment or determination shall approve the development strategy of the industrial zone of republican or regional significance for a three-year period, including the annual target indicators.

This strategy shall be subject to re-approval every three years, taking into account the dynamics of development of the industrial zone of republican or regional significance.

The development strategy of the industrial zone of republican significance shall be coordinated with the authorized body, the industrial zone of regional importance - with the local executive body.

The management companies of the industrial zone, subsequently attracted, shall operate in accordance with the previously approved development strategy of the industrial zone.

9. In the event that the first head of the management company of the industrial zone of republican significance fails to achieve the key performance indicators, the authorized body shall submit a recommendation to the board of directors on termination of the employment contract.

If the board of directors fails to take appropriate measures to terminate the employment contract, the contract on the proper performance of the functions of the management company of the industrial zone shall be terminated with such a management company.

10. In the event that the first head of the management company of the industrial zone of regional significance fails to achieve the key performance indicators, the local executive body shall submit a recommendation to the board of directors on termination of the employment contract.

If the board of directors fails to take appropriate measures to terminate the employment contract, the contract on the proper performance of the functions of the management company of the industrial zone shall be terminated with such a management company.

Article 45. Functions of a management company of an industrial zone

The functions of the management company of the industrial zone shall include:

- 1) interaction with state bodies on the issues of functioning of industrial zones;
- 2) provision of land plots and provision of infrastructure facilities to the property lease (rental) or sublet (subleasing) to the participants of the industrial zone;
- 3) conclusion and termination of contracts on activities;
- 4) submission to the authorized body and the single coordinating center of reporting on the results of the activities of industrial zones in the manner, determined by the authorized body, based on the quarterly reports of participants of the industrial zones;
- 5) attraction of potential participants of the industrial zone;
- 6) attraction of investments for construction of infrastructure facilities and performance of other types of activities of industrial zones;
- 7) construction of infrastructure facilities in accordance with the approved design and estimate documentation on the land plots that are not transferred to the participants of the industrial zone;
- 8) organization of the place of reception for the functioning of the State Corporation "Government for Citizens" on the principle of "one window" and other organizations, rendering services to the participants of the industrial zones;
- 9) monitoring the fulfillment of the terms of contracts on activities;
- 10) conduct of marketing research on the establishment of new productions in the industrial zone;
- 11) performance of activities for development and promotion of industrial zones;
- 12) provision of information support for potential participants of the industrial zones, applicants, participants of the industrial zones, including organization of meetings of potential participants of the industrial zones, applicants, participants of the industrial zones with representatives of state bodies, associations of entities of private entrepreneurship;
- 13) attraction of investments for the implementation of industrial- innovative and investment projects in the industrial zone;
- 14) interaction and work with potential participants of industrial zones, applicants, participants of industrial zones on the principle of "one window";
- 15) provision of utilities, logistics and maintenance services;
- 16) participation in public-private partnership projects;
- 17) provision of services for the development of business plans, feasibility studies, design and estimate documentation and other project documentation;
- 18) performance of construction and installation work on the territory of the industrial zone and provision of such services to the participants of the industrial zone;
- 19) performance of works on the improvement and maintenance of the territory of the industrial zone;
- 20) provision of consulting and marketing services to the participants of the industrial zone;

21) implementation of technical supervision and provision of engineering services in the field of architectural, urban planning and construction activities on infrastructure facilities and business activity, built in the territory of the industrial zone;

22) representation of the interests of the participants of industrial zones in the framework of "one-window" principle, including when interacting with state bodies in obtaining state services and other organizations in obtaining other services;

23) other functions not contradicting the legislation of the Republic of Kazakhstan.

Article 46. Rights and obligations of participants of an industrial zone

1. Participants of the industrial zone shall be entitled:

1) to enjoy the guarantees of legal protection, provided for by the laws of the Republic of Kazakhstan;

2) to receive land plots and build infrastructure facilities for carrying out their activities in the territory of the industrial zone in the manner, prescribed by the Land Code of the Republic of Kazakhstan and this Law;

3) to enjoy other rights, provided for by the laws of the Republic of Kazakhstan.

2. Participants of the industrial zone shall be obliged:

1) to submit an annual report on their activities to the management company of the industrial zone;

2) to fulfill in good faith and properly the obligations, stipulated by the laws of the Republic of Kazakhstan and the contract on activities.

Article 47. Monitoring the fulfillment of the terms of contracts on activities in the territory of an industrial zone

Monitoring the fulfillment of the terms of the contracts on activities shall be conducted:

by management companies of industrial zones constantly in the framework of the execution of the contract on activities on the basis of primary documentation, as well as annual reports of participants of industrial zones;

by local executive bodies of regions, cities of republican significance, the capital and a single coordination center based on the information provided by the management companies of industrial zones in the form of reports, as well as information on the participants of such industrial zones in accordance with this Law.

Article 48. Financing of activities of a management company of an industrial zone

Financing of activities of a management company of an industrial zone shall be carried out at the expense of:

1) remuneration for services, rendered by the management company to the participants of the industrial zone;

2) target debt financing;

3) income from the lease of property (rent) and sublet (sublet) of infrastructure facilities, land plots, as well as other property;

4) funds, contributed as replenishment of the authorized capital;

5) budget funds;

6) other income from the activities of the management company of the industrial zone not prohibited by the legislation of the Republic of Kazakhstan.

Subparagraphs 4) and 5) of part one of this article shall apply only to the management company of the industrial zone, one hundred percent of the shares of which, in the authorized capital (shares), belong to the state.

Article 49. Liquidation of a management company of an industrial zone

The decision on the voluntary liquidation of the management company of the industrial zone shall be taken by the general meeting of participants (shareholders), which determines the liquidation procedure by agreement with creditors and under their control in accordance with the laws of the Republic of Kazakhstan.

Chapter 8. SPECIAL LEGAL REGIME OF SPECIAL ECONOMIC ZONE AND CONDITIONS OF FUNCTIONING OF SPECIAL ECONOMIC AND INDUSTRIAL ZONES

Article 50. Special legal regime of special economic zone

On the territory of a special economic zone, there shall be a special legal regime that is a set of conditions for the functioning of the special economic zone for participants in the special economic zone in accordance with this Law, tax, customs, land legislation of the Republic of Kazakhstan, as well as the legislation of the Republic of Kazakhstan on employment.

Article 51. Taxation of participants and management companies of special economic zones, management companies of industrial zones

Participants and management companies of special economic zones, management companies of industrial zones shall apply tax incentives in accordance with the tax legislation of the Republic of Kazakhstan.

Article 52. Customs regulation in special economic zones

1. On the territory of the special economic zone or its part, the customs procedure of the free customs zone shall be in force.

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

2. The customs procedure of the free customs zone shall be applied in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

3. The territory of the special economic zone shall be part of the customs territory of the Eurasian Economic Union.

4. The territory of the special economic zone on which the customs procedure of the free customs zone is applied shall be the customs control zone.

Customs control on the territory of the special economic zone, where the customs procedure of the free customs zone is applied, shall be exercised by the state revenue authorities in accordance with the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan.

Article 53. Goods placed under the customs procedure of a free customs zone

Goods, imported into the territory of the special economic zone in which the customs procedure of the free customs zone is applied, shall be placed under the customs procedure of the free customs zone in the manner and on the conditions, determined by the customs legislation of the Eurasian Economic Union and (or) the customs legislation of the Republic of Kazakhstan, and shall be considered as those being outside the customs territory of the Eurasian Economic Union for the purpose of applying customs duties, taxes, and non-tariff regulation measures.

Article 54. Attraction of foreign labor to work in the territory of a special economic or industrial zone

Attraction of foreign labor to work in the territory of a special economic or industrial zone shall be carried out in accordance with the legislation of the Republic of Kazakhstan on employment.

Article 55. Guarantees of legal protection of participants in special economic and industrial zones

1. The participants of the special economic and industrial zones shall be guaranteed the protection of rights and interests, which is ensured by the Constitution of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan, as well as international treaties, ratified by the Republic of Kazakhstan.

2. Forced seizure of property of participants of special economic and industrial zones (nationalization, requisition) for the state needs shall be allowed in exceptional cases and in the manner, provided for by the laws of the Republic of Kazakhstan.

3. Participants of special economic and industrial zones shall have the right, at their own discretion, to use revenues after paying taxes and other obligatory payments to the budget in accordance with the tax legislation of the Republic of Kazakhstan.

Article 56. Public-private partnership in special economic and industrial zones

Public-private partnership in special economic and industrial zones shall be carried out in accordance with the legislation of the Republic of Kazakhstan in the field of public-private partnership.

Chapter 9. FINAL AND TRANSITORY PROVISIONS

Article 57. Liability for violation of the legislation of the Republic of Kazakhstan on special economic and industrial zones

Violation of the legislation of the Republic of Kazakhstan on special economic and industrial zones shall entail liability, established by the laws of the Republic of Kazakhstan.

Article 58. Transitional provisions

1. Special economic zones, established prior to the enactment of this Law, shall retain their status until a decision is made by the Government of the Republic of Kazakhstan.

For participants of a special economic zone in the field of information and communication technologies and innovative technologies, the requirement to carry out activities in the territory of a special economic zone shall not be a mandatory condition until January 1, 2028 for the following types of activities:

1) design, development, introduction and production of databases and hardware, design, development, introduction and production of software (including prototypes);

2) services for the storage and processing of information in electronic form using server information and communication equipment (data center services);

3) conduct of research and development works on creation and introduction of projects in the field of information and communication technologies.

2. Industrial zones, established by the decision of the local executive body of the region, the city of republican significance, the capital before the enactment of this Law, shall retain their status. At the same time, the local executive body that made the decision to establish such an industrial zone, within thirty working days after the enactment of this Law, must decide on the type of industrial zone based on the criteria provided for in paragraphs 1 and 2 of Article 27 of this Law.

After a decision is made on determining the type of industrial zone in the manner, prescribed by part one of this paragraph, the legal entities that actually perform the functions of the management company of the industrial zone shall obtain the status of the management company of the industrial zone of republican or regional significance.

Individual entrepreneurs and legal entities carrying out the placement and operation of objects of entrepreneurial activity on the territory of such industrial zones on the basis of contracts with legal entities, specified in part two of this paragraph, shall obtain the status of participants of an industrial zone of republican or regional significance.

3. Contracts, concluded between management companies and participants of industrial zones, specified in paragraph 2 of this article, stipulating the conditions for carrying out activities in the territory of an industrial zone, the rights, obligations and responsibilities of the parties, shall obtain the status of contracts on activities and remain valid until the expiration of their term. Further conclusion of contracts on activities shall be carried out in the manner, prescribed by this Law.

4. Persons who have entered into agreements with the International Center for Cross-Border Cooperation Khorgos Joint-Stock Company for construction of facilities,

intended specifically for the types of activities, provided for the special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, prior to the establishment of such a special economic zone, shall be recognized as the participants of a special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union, from the date of enactment of this Law.

The persons referred to in part one of this paragraph, within six months after the day of the enactment of this Law, must bring their activities into conformity with the requirements of the laws of the Republic of Kazakhstan, imposed on participants in a special economic zone, the boundaries of which fully or partially coincide with the sections of the customs border of the Eurasian Economic Union.

5. Participants in special economic zones who have entered into agreements for the implementation of activities prior to the enactment of this Law shall retain their status and operate as participants of a special economic zone until the expiration of contracts on activities, but not more than the period of validity of the special economic zone, defined in the relevant act of its establishment prior to the enactment of this Law.

Article 59. Procedure for enactment of this Law

1. This Law shall enter into force upon the expiry of ten calendar days after the day of its first official publication.

2. To recognize the Law of the Republic of Kazakhstan dated July 21, 2011 "On special economic zones in the Republic of Kazakhstan" invalid (Bulletin of the Parliament of the Republic of Kazakhstan, 2011, No. 15, Article 119; 2012, No. 2, Article 14; No. 21-22, Article 124, 2013, No. 3, Article 19; No. 15, Article 81; No. 21-22, Article 114; 2014, No. 11, Article 63; No. 19- I, 19-II, Article 96; No. 21, Article 122; No. 23, Article 143; 2015, No. 19 -I, Article 99; No. 20-IV, Article 113; No. 20-VII Article 117, No. 22-II, Article 145, No. 22-V, Article 156, 158, 2017, No. 14, Article 51, No. 22-III, Article 109, No. 23-III, Article 111; 2018, No. 10, Article 32).

*President of the
Republic of Kazakhstan*

K. TOKAYEV