

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

Law of the Republic of Kazakhstan of 26 January 1996 # 2823

RK Parliament News, 1996, N 1, p. 179

*Note: The heading is updated to the new version, preamble excluded, word 'Decree' replaced with 'Law' throughout the text (with exception of Articles 5 and 16); words 'Decree of President of the Republic of Kazakhstan' replaced with 'Law of the Republic of Kazakhstan' – the Law of RK of 5 July 2001 # 223.*

## **Chapter I. General**

### **Article 1. Relations regulated by this Law**

The Law defines general legal basis for creation, functioning, and liquidation of the special economic zones in the Republic of Kazakhstan. <\*>

*Note: Article 1 –of the Law version dated 5 July 2001 # 223.*

### **Article 2. The definition of the special economic zone**

A special economic zone is a confined area of the Republic of Kazakhstan with a special legal regime in its territory.

### **Article 3. The aims for creation of special economic zones**

Special economic zones are created to accelerate development of the regions in order to stimulate integration of the republic's economy into the world economic relations system, development of one or several new technology industries, creation of high value-added export oriented production, creation of new kinds of products, attracting investments, providing legal regulation of market relations, introduction of modern management and administration methods as well as finding solution to social problems. <\*>

*Note: Article 3 was amended by the Law of the Republic of Kazakhstan of 4 December 2003 No.504*

### **Article 4. Legislation on special economic zones**

1. The activity of special economic zones is regulated by the Constitution of the Republic of Kazakhstan, this Law, and other legislation of the Republic of Kazakhstan.
2. If an international agreement ratified by the Republic of Kazakhstan stipulates other rules than those provided by the legislation on special economic zones, the regulations of the international agreement are to be applied. <\*>

*Note: Article 4 was amended by the Law of Republic of Kazakhstan of 5 July 2001 No. 223*

### **Article 5. Special economic zone formation order**

1. A special economic zone is created for a period defined by Decree of President of the Republic of Kazakhstan upon the Government of the Republic of Kazakhstan's proposal based on propositions of local representative and executive authorities or by relevant central executive body in coordination with the local representative and executive authorities of the administrative-territorial unit, where the special economic zone is supposed to be created.

Provisions regarding special economic zone shall be approved by a Decree of President of the Republic of Kazakhstan on establishment of special economic zone.

2. To review the proposal on special economic zone establishment, concepts, technical and economic feasibility studies shall be submitted to the Government of the Republic of Kazakhstan. <\*>

*Note: Article 3 was amended by the Law of the Republic of Kazakhstan of 4 December 2003 # 504.*

#### **Article 6. Guaranteed rights of enterprises established on the territory of a special economic zone**

If the legal regime of a special economic zone changes or is terminated prior to its expiration date, including changes in the borders of the area, the enterprises carrying out investment activities in its territory are granted the right to continue such activities on the same terms as at the moment of investment allocation until the end of the period for which the special economic zone was created, but not exceeding ten years. The stated time period starts on the day of termination or modification of the special economic zone's legal regime.

The guarantees granted by this Article do not cover changes in the legislation of the Republic of Kazakhstan regarding the customs regulation on imports of products (except for spirit) for processing in accordance with the sufficient processing of products requirement set by the customs legislation of the Republic of Kazakhstan. <\*>

*Note: Article 3 was amended by the Laws of the Republic of Kazakhstan dated 24 December 1998 No. 334; 31 March 1999 No.354.*

### **Chapter II. Administration of the special economic zone**

#### **Article 7. Administration of the special economic zone**

Administration of the special economic zone shall be carried out by the local authority of the administrative-territorial unit, where the special economic zone is located.

If establishment of the special economic zone was initiated by a central executive body, administration of the special economic zone shall be carried out by the central executive body appointed by the Government of the Republic of Kazakhstan. <\*>

*Note: Article 7 is the Law version dated 5 July 2001 No.223; 4 December 2003 No. 504.*

#### **Article 8. The authority of the Administrative council of the special economic zone**

*(Article 8 was excluded by the Law of the Republic of Kazakhstan dated 5 July 2001 No.223)*

### **Chapter III. Special features of the special economic zone's legal regime**

#### **Article 9. Finance**

*(Article 9 was excluded by the Law of the Republic of Kazakhstan dated 5 July 2001 No.223)*

#### **Article 10. Banking**

Banking in the territory of the special economic zone shall be carried out under the banking legislation of the Republic of Kazakhstan.

#### **Article 11. Taxation**

1. Taxation in the territory of the special economic zone shall be carried out in accordance with the tax legislation of the Republic of Kazakhstan.

2. (excluded) <\*>

*Note: Article 11 was updated by the Law of the Republic of Kazakhstan dated 5 July 2001 No.223.*

### **Article 12. Customs regulation**

The territory of the special economic zone is considered as being excluded from the customs territory of the Republic of Kazakhstan with a free customs zone treatment.

The terms and order of placing goods and equipment for customs clearing as in the free customs zone in the territory of the special economic zone shall be defined by the customs regulation of the Republic of Kazakhstan. <\*>

*Note: Article 12 is in the Law version dated 24 December 1998 No.334. Amendments by the Law dated 31 March 1999 No.354; 5 July 2001 No.223.*

### **Article 13. The order of state registration of the legal bodies**

*(Article 13 was excluded by the Law dated 5 July 2001 No.223)*

### **Article 14. Licensing**

Licensing of enterprises' activity in the territory of the special economic zone shall be made in accordance with the valid legislation of the Republic of Kazakhstan.

### **Article 15. The order of foreign citizens' presence in the special economic zone**

1. The territory of the special economic zone abides the order of entry, exit, transit, and stay of foreign citizens and persons without citizenship as well as their vehicles, set forth by the legislation of the Republic of Kazakhstan and the international agreements to which the Republic of Kazakhstan is a party.

2. (excluded) <\*>

*Note: Article 15 was updated by the Law of the Republic of Kazakhstan dated 5 July 2001 No.223.*

## **Chapter IV. Final provisions**

### **Article 16. Change of the terms and termination of the special economic zone**

1. The terms and conditions provided by the Regulations on the special economic zone can be changed by a Decree of the President of the Republic of Kazakhstan.

2. A special economic zone is discontinued when its duration ends.

3. If it is impossible to achieve the objectives for which the special economic zone was created, a Decree of the President of the Republic of Kazakhstan can terminate the special economic zone prior to its expiration period.

4. The order and terms of implementing the procedure of termination of the special economic zone shall be defined in its Regulations.

### **Article 17. Measures to implement this Law**

1. Free economic zones established prior to this Law taking effect preserve their status until a resolution concerning such zones in accordance with the Article 5 paragraph 1 of this Law is adopted.

2. Provisions of the Article 6 of this Law shall be applied in the territory of newly created special economic zones and those special economic zones for which resolution is adopted in accordance with paragraph 1 of this Article.

2-1. The guarantees concerning import of goods that are not specified in the second paragraph of the Article 6 of this Law, are valid until 1 January 1999.

3. The Government of the Republic of Kazakhstan shall within three months period:

amend resolutions of the Government of the Republic of Kazakhstan so they are in balance with the Law of the Republic of Kazakhstan “On special economic zones in the Republic of Kazakhstan”;

ensure that government bodies and Administrative Councils of the existing free economic zones revise and terminate regulations of the free economic zones that contravene this Law;

approve the order of proposals submission on establishment of special economic zones, including the coordination mechanism with the interested government bodies, as well as submission of conceptions and technical and economic feasibility studies and projects. <\*>

*Note: Article 17 was updated by the Law of the Republic of Kazakhstan dated 24 December 1998 No.334.*

4. The following documents lapse:

1) The Law of the Kazakh SSR dated 30 November 1990 “On free economic zones in the Kazakh SSR” (Newsletter of the Supreme Soviet of the Kazakh SSR, 1990, No.49, p. 455; Newsletter of the Supreme Soviet of the Kazakh SSR, 1992, No.6, p. 116);

2) Resolution of the Supreme Soviet of the Kazakh SSR dated 30 November 1990 No.361-XII “On implementation of the Law of the Kazakh SSR “On free economic zones in the Kazakh SSR” (Newsletter of the Supreme Soviet of the Kazakh SSR, 1990, No.49, p. 456);

3) Resolution of the Supreme Soviet of the Kazakh SSR dated 18 June 1991 No.678-XII “On creation of Zhairam-Atusuisкая free economic zone in Dzhezkazgan oblast” (Newsletter of the Supreme Soviet of the Kazakh SSR, 1991, No.26, p. 331);

4) Resolution of the Supreme Soviet of the Kazakh SSR dated 11 January 1992 No.1114-XII “On creation of Alakul, Zharkentskaya free economic zones in Taldy-Korgan oblast and creation of a free economic subzone on the basis of ‘Taldykurganvneshtrans’ in Taldy-Korgan City” (Newsletter of the Supreme Soviet of the Kazakh SSR, 1992, No. 4, p. 67);

5) Resolution of the Supreme Soviet of the Kazakh SSR dated 30 June 1992, No.1467-XII “On creation of Lisakovsk free economic zone” (Newsletter of the Supreme Soviet of the Kazakh SSR, 1992, # 13-14, p. 347).

### **Article 18. The effectiveness of the Law**

This Law becomes effective on the day of its publication.

*The President of the Republic of Kazakhstan*