ANNEX XV

On safeguard measures of the domestic market in importation of products
(as amended by the Laws of the Republic of Kazakhstan of 20.07.99 No. 443-I;
of 16.06.05 No. 59-III)

Throughout the text the words “causation”, “of causation”, “caused”, ”causing”, were replaced
with the words “infliction”, “of infliction”, “inflicted”, “inflicting” accordingly, pursuant to the

This Law shall regulate the relationship arising in the course of the application of
safeguard measures established with a view to protect the domestic producers of products and to
ensure the economic safety of the Republic of Kazakhstan, to adjust the national economy to the
conditions of competition with imported products.

Article 1 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99
No. 443-I.

Article 1. Main concepts

The following main concepts shall be used in this Law:

1) temporary safeguard measures – preliminary safeguard measures to be applied in the form of
safeguard duties by the customs authorities based on the resolution of the Government of the
Republic of Kazakhstan;

2) interested persons (parties) – a domestic producer of like or directly competitive product,
which is under the investigation, or an association of domestic producers of which the
majority of members produce such a product; a foreign exporter of a product and a foreign
producer of a product which is under; a domestic importer of a product or an association of
domestic importers of which the majority of members are the importers of such a product;
government of a foreign country; an authorized body of a country of such a product’s origin
or export, or an authorized body of a union of foreign countries incorporating the countries of
such a product’s origin or export; a consumer or an association of consumers of a product;
executive authorities of the Republic of Kazakhstan; other persons whose rights and interests
shall be affected by such investigation and who may be able to facilitate such investigation as
may be deemed appropriate by the authorized body specified in the Article 6;

3) safeguard measures – a set of means of administrative and economic impact to be applied on
the basis of the resolution of the Government of the Republic of Kazakhstan in the form of
safeguard duties and (or) establishing of quotes on supply of product to be imported to the
territory of the Republic of Kazakhstan for free circulation within its domestic market in such
quantities (absolute or relative to domestic production) and on such conditions when a
serious injury to the domestic producers of the like or directly competitive product is caused
or becomes imminent;

4) safeguard duties – duties levied by the customs authorities in excess of the customs duty rate
in cases of supply to the territory of the Republic of Kazakhstan of a product in such
quantities and under such conditions when a serious injury to the domestic producers of the
like or directly competitive product is caused or becomes imminent;
5) import quota - restriction of a product import to the territory of the Republic of Kazakhstan in respect of its quantity and (or) value;

6) import of a product during previous period – average value of a product import during three preceding years for which statistics are available;

7) confidential information – information which disclosure may give considerable advantages to the competitors, or may entail substantial adverse effects for an interested party which produced that information;

Sub-paragraph 8 is stated in the wording of the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.

8) domestic industry (domestic producers) - aggregate of producers of like or directly competitive products operating within the territory of the Republic of Kazakhstan, or of producers whose collective output of like or directly competitive products makes a major portion of the total production of the given products within the territory of the Republic of Kazakhstan;

Sub-paragraph 9 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

9) like or directly competitive product – a product classified under the same code in the foreign economic activity commodity nomenclature and completely identical to the other product or comparable thereto in respect of its functional intention, use, qualitative and technical characteristics as well as of other key properties in such a way that a consumer substitutes or is ready to substitute the other product with such a product in the course of consumption;

Sub-paragraph 10 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

10) investigation – procedure of examination of documents and other evidence regarding import to the territory of the Republic of Kazakhstan of any product in such quantities and under such conditions which may cause serious injury or threat thereof to the domestic producers of the like or directly competitive product;

Sub-paragraph 11 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

11) serious injury – significant general impairment in the position of a domestic production of a like or directly competitive product in the Republic of Kazakhstan as a result of increased volume of supply to the territory of the Republic of Kazakhstan showing itself, in particular, by reduction of output of such products, decrease of sales of a domestic product on the domestic market of the Republic of Kazakhstan, decrease of profitability of production of such product, negative impact on employment situation, salary level;

Sub-paragraph 12 is stated in the wording of the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

12) threat of serious injury – clear imminence of significant injury;

13) authorized body – state body of the Republic of Kazakhstan monitoring trading and production activities, carrying out investigation in respect of determining availability of a serious injury or a threat of its infliction and of the need in application of the safeguard measures.
Article 2. Laws of the Republic of Kazakhstan on safeguard measures of domestic market when importing products

1. The Laws of the Republic of Kazakhstan on safeguard measures of the domestic market when importing products shall include this Law and other statutory legal acts.
2. When an international agreement or a treaty ratified by the Republic of Kazakhstan stipulates for the rules other than those containing in this Law the rules of such international treaty or agreement shall prevail.

*In sub-paragraphs 1 and 2 of Article 3 the word “customs” was removed in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I*

Article 3. Purposes of this Law

1. The purposes of this Law shall be safeguarding interests of domestic producers of a product and elimination of serious injury or a threat thereof in view of the increased supply of product into the territory of the Republic of Kazakhstan.
2. Safeguard measures shall be applied only under circumstances of infliction of serious injury or threat thereof to the domestic producers as result of the increased volumes of supply of products into the territory of the Republic of Kazakhstan.
3. Safeguard measures shall be applied provided that the conditions that the investigation was carried out in accordance with the rules and procedures established in this Law.
4. Safeguard measures shall be applied to the imported products on a non-discriminatory basis irrespective of the country of such product origin.

*In Article 4 the word “customs” was removed in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I*

Article 4. Scope of this Law

This shall Law regulate the relationship which may arise between the authorized body and any interested parties as well as between the interested parties themselves in view of increased supply to the territory of the Republic of Kazakhstan of any particular product in such quantities (absolute or relative to domestic production) and under such conditions when a serious injury to the domestic producers of the like or directly competitive products is caused or becomes imminent.

Article 5. State regulating bodies

1. State regulating and control of the trading practice of suppliers in respect of such cases when a serious injury being inflicted shall be carried out by the authorized body.
2. The introduction, review and abolition of safeguard measures shall be carried out by means of resolution of the Government of the Republic of Kazakhstan by submission of the authorized body.
*Article 6 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I*

**Article 6. Authorized body**

1. The authorized body shall operate within the framework of the authorities given to it by this Law and the other statutory legal acts of the Republic of Kazakhstan.

2. In cases stipulated by this Law and the other statutory legal acts of the Republic of Kazakhstan the authorized body shall issue, within the scope of its reference, the statutory legal acts in respect of investigation procedures, carry out investigation upon requests of a domestic producer or an association of producers, prepare materials for submission to the Government of the Republic of Kazakhstan to apply safeguard measures.

3. The state bodies and other organizations shall assist in the investigations and provide samples of products on the recovery basis and required information, including confidential information, upon request of the authorized body.

**Article 7. Decision on initiating an investigation**

1. The decision on initiating an investigation shall be made by the authorized body on the instructions of the Government of the Republic of Kazakhstan as well as on the grounds of a conclusion of the authorized body which was prepared upon request of a domestic producer or an association of producers.

2. A request to carry out the investigation prior to the application of the safeguard measures may be accepted for consideration if the share of the domestic producers of the product who expressed their views in respect of the given request makes up the majority of the total volume of production of a like or directly competitive product in the Republic of Kazakhstan.

At that, the share of the domestic producers who supported the request shall make up more than twenty-five percent of the volume of a like or directly competitive product produced by the domestic producers.

3. After making the decision on initiating the investigation the authorized body shall notify a respective foreign country (union of foreign countries) of the intention to initiate the investigation with the purpose of possible application of the safeguard measures.

*See: Rules of carrying out investigation preceding the application of the safeguard, countervailing or antidumping measures.*

**Article 8. Submission of request**

1. A request for investigation shall be submitted in written form to the authorized body and shall include the following data:
1) details of the applicant and data on the cost and volume of production of a like or directly competitive product during three preceding years for which statistics are available;

2) description of imported product subject to investigation, name of a country or countries of origin, list of known suppliers of the given product;

Sub-paragraph 3) of paragraph 1 was added with words in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

3) data reflecting all relevant factors of an objective and quantifiable nature which are influencing the situation in this industry, in particular: changes in the level of sales, production, productivity, capacity utilization, profits and losses, reduction of the number of employees in the industry; information on changes in price for the like or directly competitive products in the domestic market of the Republic of Kazakhstan.

2. A request may be withdrawn by the applicant before the initiation of the investigation and in that case it shall be considered as not submitted.

3. The applicant shall bear responsibility for the reliability of the information stated in the request.

Article 9 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

Article 9. Consideration of request

1. The authorized body shall, within forty-five calendar days after submission of a request, consider the reliability and sufficiencies of the data stated in the request and prepare a conclusion with respect to investigation advisability or denial of investigation.

2. If the authorized body shall consider the data as insufficient it shall, within ten days after receipt of the request, notify the applicant about that and provide for the opportunity to amend or supplement the request. In case when the applicant sends information to supplement or amend the previous request the date of receiving of such request for consideration shall be the date of registration of the aforesaid supplements or amendments in the authorized body.

3. The authorized body shall make a decision of denial of investigation in such case when there is no sufficient evidence of a serious damage or a threat thereof to the domestic producers of the like or directly competitive products, as well as in case of failure to fulfill the terms of paragraph 2, Article 7 of this Law.

4. Within ten days from the date of making decision of denial of investigation the authorized body shall notify the applicant accordingly stating the reasons and grounds of such denial.

See: Rules of carrying out investigation preceding the application of the safeguard, countervailing or antidumping measures.

Article 10. Initiating of investigation

Paragraph 1 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III
1. The authorized body shall, within thirty calendar days from the date of making decision of initiating the investigations, notify the interested persons on the forthcoming investigation and shall publish such notification in mass media in the official and other languages with a view to involve all interested parties to the investigation.

2. The notification shall include:

   1) name of a country (countries) of exporter of the product and description of the product under investigation;
   2) investigation initiation date;
   3) ground of investigation;
   4) summary of facts justifying the request;
   5) address to which the interested parties should send their materials;
   6) terms within which the interested parties may produce their materials;

Paragraph 3 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

3. The interested parties shall respond in written form in the official language or in the other language as agreed.

4. The investigation in respect of possible application of safeguard measures shall not impede the customs clearance and release of products under investigation into the territory of the Republic of Kazakhstan.

5. Starting from the date of making decision on initiating the investigation and till its completion the Government of the Republic of Kazakhstan shall carry out licensing of import of a product under investigation into the territory of the Republic of Kazakhstan without application of quantitative restrictions.


7. In case when a share of an individual Kazakhstani producer who supported the request for the application of the safeguard measures exceeds thirty-five percent of Kazakhstani production of the like or directly competitive product, or when the total import of the product under investigation makes up less than twenty-five percent of the total volume of sales of the like or directly competitive product in the domestic market of the Republic of Kazakhstan, the conclusion of the authorized executive body in the field of antimonopoly policy on after-effects of the aforesaid measures on the competition in the domestic market of the Republic of Kazakhstan shall be required.

Article 11. Terms of investigation

An investigation preceding the application of the safeguard measures shall be completed within nine months.
Article 12. Request for information

Paragraph 1 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

1. After initiating the investigation the authorized body shall be entitled when necessary to request for additional information from the interested persons and to set out the deadline for response.

Paragraph 2 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

2. Each interested party shall have a right, when sending information within the time frame as stated by the authorized body, to produce any other evidences which may be deemed necessary by such party.

Article 13. Confidential information

1. The confidential information submitted to the authorized body in the course of the investigation shall not be divulged without written approval of the interested parties.

Paragraph 2 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

2. The interested parties presenting confidential information shall submit written explanations regarding the information. The explanations should be sufficiently detailed so as to understand the essence of the information or explain the reasons which prevent from submission of more detailed non-confidential information. The authorized body may give no account to the information, which an interested party is not willing to divulge and disclose in general, unless such information was received from official sources.

Paragraph 3 of Article 13 is stated in the wording of the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

3. The confidential information may not be divulged, used by officials of the authorized body for a personal purpose, communicated to third parties as well as to other state bodies, unless otherwise provided by the legislative acts of the Republic of Kazakhstan.

Article 14. Case processing procedure

1. For each investigation the authorized body shall process a case in written form in accordance with the procedure established by this body. The case shall include all documents relating to the investigation, the procedure and the period of keeping of such documents shall be determined in accordance with the procedure established by the legislation.

2. The case papers which are not confidential shall be submitted to the interested parties upon their request in the course of the investigation for insight and review of the case.
In paragraph 3 of Article 14 the words were replaced in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.

3. The authorized body shall publish a report on each investigation in the official publications. The report shall include a detailed analysis of the case with grounds of the resolution adopted by the Government of the Republic of Kazakhstan.

Article 15 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III

**Article 15. Hearings**

The interested parties shall have the right to submit to the authorized body a petition to hold hearings in order to review the case papers and arguments of other parties, which shall give the opportunity to all interested parties to produce their evidence and arguments including the opportunity to respond to the presentations of other parties and to submit their views as to whether or not the application of a safeguard measure would serve as protection of the domestic producers of the product and for the sake of the economic safety of the Republic of Kazakhstan.

The hearings shall be held under the chairmanship of an officer of the authorized body with taking of minutes.

Article 16 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I

**Article 16. Determination of serious injury or threat thereof**

1. The determination of serious injury shall be based upon the obtained data evidenced by facts of objective nature, at that, a demonstration of the existence of the causal link between increased supplies of the product concerned and serious injury or threat thereof should be proved.

2. In order to establish the causal link between increased supplies and serious injury or threat thereof to domestic producers the authorized body shall take into account any factors of objective nature which may exert influence upon the situation of that industry, in particular:

   1) the rate and amount of the increase in imports of the product concerned in absolute and relative values;
   
   2) the share of the domestic market taken by increased imports;
   
   3) changes in the level of sales;
   
   4) production of the given products by the domestic producers;
   
   5) productivity, capacity utilization, profits and losses, and employment.

3. In case when factors other than increased imports are causing injury to the domestic industry at the same time, such injury shall not be attributed to increased supply of products.
4. On the basis of the factual data obtained in the course of the investigation the authorized body has a right to issue a preliminary conclusion in respect of the presence of the increased supply of products and the serious injury or a threat thereof to the domestic producers.

*Article 17 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I*

**Article 17. Application of temporary safeguard measures**

1. The Government of the Republic of Kazakhstan on the basis of a preliminary approving conclusion of the authorized body shall issue a resolution about application of temporary safeguard measures provided that the investigation is simultaneously continued.

2. The temporary safeguard measures shall be applied in critical circumstances if their delay may inflict serious injury to domestic industry, which would be difficult to recover.

3. The temporary safeguard measures shall be applied by the customs authorities on the basis of the resolution of the Government of the Republic of Kazakhstan about application of such measures in respect of products concerned.

*The Article was added with paragraph 3-1 in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.*

3-1. Funds for the security of payment of safeguard duties at application of the temporary safeguard measures shall be paid in by importers pursuant to the customs legislation of the Republic of Kazakhstan to a deposit account and shall not be transferred to the budget before the Government of the Republic of Kazakhstan takes the final decision on the basis of the conclusion of the authorized body about the need to apply safeguard measures.

*Paragraph 4 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III*

4. In case when the authorized body according to the results of the investigation takes a decision that the increased import does not cause serious injury or threat thereof to the domestic producers, the temporary safeguard measures shall be removed and the importer shall have the right to reimbursement of the deposited amount in accordance with the procedure stipulated by the legislation of the Republic of Kazakhstan. In case when it is declared to be expedient to apply a lower rate of safeguard duty as compared to the rate of a safeguard duty at application of the safeguard measures, the funds paid in excess shall be returned to the importer in accordance with the procedure established by the customs legislation of the Republic of Kazakhstan.

5. In case when the rate of a safeguard duty is higher than the rate of the temporary safeguard measure the difference for the paid-up period shall not be collected from the importer.

*Article 18 is stated in the wording of the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I*

**Article 18. Publishing of the resolution of the Government of the Republic of Kazakhstan about application of the temporary safeguard measures**
The resolution of the Government of the Republic of Kazakhstan about the introduction of the temporary safeguard measures shall be published in the official publications.

The published notice shall include the terms and the grounds of the application of the temporary safeguard measures.

**Article 19. Duration of temporary safeguard measures**

1. The duration of the temporary safeguard measures shall not exceed 200 days.

2. The duration of the temporary safeguard measures shall be included into the total duration of the safeguard measures in accordance with Article 24 of this Law.

**Article 20. Completion of investigation**

An investigation carried out by the authorized body shall be concluded by preparation of a conclusion to be communicated to the Government of the Republic of Kazakhstan in respect of:

1) termination of the investigation in view of the lack of sufficient demonstration of serious injury or threat thereof to the domestic producers because of supply of a product which was under investigation;

2) determination of the existence of serious injury or threat thereof by the increased volume of import to the product of the domestic industry and the need to apply the safeguard measures from the part of the Government of the Republic of Kazakhstan.

**Article 21. Safeguard measures**

*Paragraph 1 of Article 21 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.*

1. The resolution of the Government of the Republic of Kazakhstan about application of the safeguard measures shall be adopted upon the proposal and on the grounds of conclusion of the authorized body and shall take effect from the date of its publication in the official publications.

2. The safeguard measures shall be applied in the form of restriction of product supply, i.e. establishment of a quota and (or) application of a safeguard duty.

**Article 22. Determination of extents of safeguard measures**

*Paragraph 1 is stated in the wording of the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.*

1. Safeguard measures shall be applied to the extent necessary to prevent or remedy serious injury.

*Paragraph 2 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.*
2. The extent of safeguard measures may not be increased during the total period of their application. Their extent may be reduced by resolution of the Government of the Republic of Kazakhstan by petition of the authorized body at regular intervals within the application period when the duration of the safeguard measure exceeds one year.

Paragraph 3 of Article 22 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.

3. If the duration of a safeguard measure exceeds three years, a repeated investigation shall be carried out within one and a half year period after the introduction of the measure, as a result of such repeated investigation the safeguard measures may be removed, changed or extended.

4. In case of extension of the duration of the safeguard measures as a result of the repeated investigation the conditions of application of such measures shall not be more restrictive than it was during the initial period of application of the safeguard measures.

Article 23. Application of safeguard measures

Paragraph 1 of Article 22 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.

1. Based on the resolution of the Government of the Republic of Kazakhstan about application of the safeguard duties the customs authorities shall collect them from all imported product under investigation. The safeguard duties shall be collected irrespective of any customs duties, taxes and other compulsory payments to the budget and shall be passed to the budget.

Paragraph 2 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.

2. When the safeguard measures are applied in the form of a quota the annual amount of import quota shall not reduce import below the level equal to its average volume during a previous period, except for cases when the need to take other decision in order to prevent or remedy serious injury is proved.

Within the limits of the annual amount of import quota introduced as a safeguard measure the Government of the Republic of Kazakhstan may establish import quotas for individual countries.

In cases when an import quota is allocated among supplying countries, the Government of the Republic of Kazakhstan by means of consultations may provide for agreement with respect to the allocation of shares in the import quota with all other supplying countries having an interest in supplying the product concerned into the territory of the Republic of Kazakhstan.

When it is impossible to reach such an agreement, the Government of the Republic of Kazakhstan shall allocate the import quota among supplying countries in the proportion, corresponding to the import of the product during the preceding period, based on the total quantity or value of the product. At that due account being taken of any special factors which may have affected or may be affecting the supply of this product.

In case of need the Government of the Republic of Kazakhstan may allot the import quota among individual supplying countries taking account of absolute and relative indices of increase of import from individual foreign countries (union of foreign countries).
Article 24 was amended in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.

Article 24. Duration of safeguard measures

1. The duration of safeguard measures shall be established only for such period of time as may be necessary to prevent or remedy serious injury and adaptation of the domestic producers of products to the competitive conditions. This period shall not exceed four years, unless it is extended under paragraph 2 of this Article.

2. The duration of safeguard measures may be extended by the Government of the Republic of Kazakhstan on the basis of a petition from the authorized body or by own initiative provided that the given safeguard measure continues to be necessary to prevent or remedy serious injury.

3. The total period of application of a safeguard measure including the period of application of any temporary measure, the period of initial application and any extension thereof, shall not exceed eight years.

4. In case when the applied measures are found to be unjustified they shall be removed or their extent shall be changed by the petition of the authorized body.

Article 25. Repeated application of safeguard measures

1. The safeguard measure may be applied again to the products which have already been subject to safeguard measures, only after the expiration of the period of time equal to the period of their application. At that, the minimal period of non-application shall not be less than two years.

Paragraph 2 was amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.

2. The safeguard measures may be applied again to the product if the initial duration of their application is 180 days or less, provided that:

1) at least one year has elapsed since the date of introduction of safeguard measures;

2) such safeguard measures have not been applied on the same product more than twice in five years immediately preceding the last date of introduction of safeguard measures.

Article 26 is stated in the wording of the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.


Resolution of the Government of the Republic of Kazakhstan on the introduction of the safeguard measures shall be published in the official publications. The published notice shall include the reasons and the grounds of acceptance or denial of arguments or demands of the interested parties.
Article 27 is stated in the wording of the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I.

Article 27. Order of appeal of decisions

The interested parties may appeal the decisions and actions of the authorized body taken in the course of the investigation in respect of application of safeguard measures in accordance with the laws of the Republic of Kazakhstan in legal form.

The Law was added with Article 28 in accordance with the Law of the Republic of Kazakhstan of 20.07.99 No. 443-I; amended in accordance with the Law of the Republic of Kazakhstan of 16.06.05 No. 59-III.

Article 28. Liability for violation of the legislation on safeguard measures of the domestic market when importing products

Liability for violation of the legislation on safeguard measures of the domestic market at import of products shall be incurred in accordance with the Laws of the Republic of Kazakhstan.

President of the Republic of Kazakhstan
N. Nazarbayev