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## ACCESSION OF THE REPUBLIC OF KAZAKSTAN

### Memorandum on the Foreign Trade Régime

In a communication dated 29 January 1996 (WT/ACC/KAZ/1), the Government of the Republic of Kazakhstan applied for accession under Article XII of the Agreement Establishing the World Trade Organization (WTO).

At its meeting on 16 April 1996, the General Council established a Working Party with the following terms of reference: "To examine the application of the Government of Kazakhstan to accede to the WTO Agreement under Article XII, and to submit to the General Council recommendations which may include a draft Protocol of Accession." The membership is open to all WTO Members indicating their wish to serve on the Working Party.

In accordance with the established procedures (WT/ACC/1), the Secretariat is circulating the attached Memorandum on the Foreign Trade Régime received from the Government of Kazakhstan. WTO Members wishing to submit questions on the Memorandum are invited to do so by 11 November 1996 for transmission to the authorities of the Republic of Kazakhstan.

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## I. INTRODUCTION

The Republic of Kazakhstan (Kazakhstan) declared its independence on 16 December 1991. Kazakhstan has since undertaken a programme of comprehensive reforms aimed at full transition to a market economy and integration within world markets. Significant progress has been achieved in areas such as trade and price liberalization, privatization, competition and fiscal and monetary reform.

The foundations of Kazakhstan's reform programme consist of a legal and regulatory régime based upon internationally accepted standards and conducive to trade and investment. In particular, Kazakhstan has liberalized its trade régime governing goods by restricting import and export licensing requirements to a limited set of goods only; and eliminating export tariffs, State-trading and non-tariff barriers to trade such as export quotas. As for services, Kazakhstan has established a legal and regulatory framework which abolishes barriers to entry and ensures fair competition. Also, standards, testing and certification methods employed by Kazakhstan fall within internationally accepted norms and, as such, do not create barriers to trade. Finally, common trade-distorting features such as restrictive trade-related investment measures are non-existent.

In reforming its legal régime, Kazakhstan has been attentive to internationally accepted standards. Key trade and investment legislation adhere to the most important WTO principles by providing national and non-discriminatory treatment to products and services regardless of origin. The Customs Code is based largely upon WTO, WCO and other internationally accepted standards and, therefore, ensures transparency and uniformity of procedures and timely processing of goods. In addition, the tariff nomenclature, rules of origin and customs valuation are based largely upon the Harmonized System (developed by the WCO), WCO and WTO standards respectively. The Government of Kazakhstan is also currently taking important steps to bring its legislation on intellectual property protection into conformity with WTO.

The Government of Kazakhstan understands the benefits which free trade and investment will bring to its consumers, producers and to its overall effort to enhance economic development and growth. The Government is committed to bring Kazakhstan's foreign trade régime into full compliance with WTO and to continue adhering to WTO and other internationally accepted trade and investment principles in enacting future legislation. This commitment is demonstrated by Government Resolution No. 211 adopted 19 February 1996 which urges all ministries to review existing legislation to ensure full compliance with WTO.

Kazakhstan is ready to become a member of WTO and to fully integrate itself into and play according to the rules of, the multilateral trading system. This willingness was expressed when the Prime Minister of Kazakhstan, Akezhan Kazhegeldin, submitted to WTO on 23 January 1996 Kazakhstan's formal request for accession.

The main purpose of this memorandum is to furnish WTO and its members with background on Kazakhstan's economy and foreign trade régime. The Government of Kazakhstan is willing and prepared to provide additional information, if and when requested by the WTO Secretariat or members of the Working Party. Information contained in this memorandum is prepared by the Government Inter-Institutional Commission on Accession to the WTO and reflects the State of Kazakhstan's foreign trade régime as of 1 July 1996.

## II. ECONOMY, ECONOMIC POLICIES AND FOREIGN TRADE

### 1. Economy

#### (a) General description

##### Territory

Located in Central Asia, Kazakhstan is the second largest of the former Soviet States with a total area of approximately 2.7 million square kilometres (sq. km.). Roughly equal to the territory of Western Europe, Kazakhstan represents 12 per cent of the former Soviet Union territory and borders China to the east, Russia to the north, the Caspian Sea to the west and Kyrgyzstan, Uzbekistan and Turkmenistan to the South. It is the ninth largest country in the world. Kazakhstan's external boundaries total 12,187 km with 11,587 km of land boundaries (shared as described in table 1) and 600 km of water boundary with the Caspian Sea.

Table 2.1 - Land Boundaries

Country	Land Boundary
China	1,460 km
Kyrgyzstan	980 km
Russian Federation	6,467 km
Turkmenistan	380 km
Uzbekistan	2,300 km

The country is administratively divided into 19 oblasts (regions) and one city administration (Almaty City). Table 2.2 provides the area and 1995 population of each oblast.

Table 2.2 - Area (thousands sq. km.) and 1995 Population (thousands) of Oblasts

Oblast	Area	Population
Akmola	92.0	812.1
Aktyubinsk	300.6	751.0
Almaty City	0.26	1,172.4
Almaty Oblast	105.7	964.8
Atyrau	118.6	461.7
East-Kazakhstan	97.5	926.3
Zhambyl	144.3	1,035.6
Zhezkazgan	312.6	480.9
West-Kazakhstan	151.4	669.5
Karaganda	115.4	1,243.0
Kzyl-Orda	226.0	677.0
Kokshetau	78.2	647.8
Kustanai	113.9	1,029.1
Mangistau	165.6	335.1
Pavlodar	124.8	926.7
North-Kazakhstan	45.0	584.6



Oblast	Area	Population
Semipalatinsk	185.8	796.4
Taldykorgan	118.5	712.1
Turgai	111.8	304.0
South-Kazakstan	117.0	2,015.1

## Population

As of 1 January 1996, the population of Kazakhstan is approximately 16.6 million. It is one of the least densely populated countries (approximately 6 inhabitants per sq. km.). The three largest cities are Almaty City (1,172,400), Karaganda City (567,200) and Shymkent (394,500). The percentage of population living in urban areas is approximately 56 per cent. The ethnic composition of Kazakhstan's population is set forth in Table 2.3 ("Others" consist of more than 100 distinct ethnic groups).

Table 2.3 - Ethnic Composition of Population

Ethnic Group	Share
Kazak	45.98%
Russian	34.74%
Ukrainian	4.94%
German	3.05%
Uzbek	2.28%
Tatar	1.93%
Belarusian	1.04%
Others	6.04%

The two main religions are Muslims (46 per cent) and Russian Orthodox (45 per cent) with other minorities including Protestant and Catholic. Additional population-related data is described in Table 2.4.

Table 2.4 - Population Data

Population Factor	Value
Growth Rate	0.87%
Birth Rate	1.82%
Death Rate	0.95%
Infant Mortality Rate	2.74%
Literacy Rate	97.00%
Life Expectancy	65.80

The State language is the Kazak language. In State institutions and local self-administrative bodies, however, the Russian language is officially used on equal grounds with the Kazak language.

### Economic specialization

The economic potential of Kazakhstan is characterized by its (i) rich deposits of mineral and energy resources, (ii) production and processing capabilities and (iii) large agricultural area (approximately 20 per cent of arable land of the CIS). The market for services, moreover, has been growing during the past three years in most sectors especially communications, financial and transport. For more details regarding the service sector, please consult section VI and Annex 7.

Kazakhstan has major deposits of bauxite, bismuth, cadmium, chrome ore, coal, cobalt, copper, gold, iron, lead, manganese, molybdenum, natural gas, nickel, petroleum, phosphate, silver, sulphur, titanium, uranium and zinc. Among CIS countries, Kazakhstan (i) is first in explored deposits of bismuth, chrome, lead and zinc; (ii) is second in explored deposits of cadmium, copper, molybdenum, oil and phosphates; (iii) produces 97 per cent of chrome, 70 per cent of lead, 40 per cent of uranium and 90 per cent of yellow phosphor; and (iv) possesses 90 per cent of chrome and other metals reserves and approximately 50 per cent of lead, tungsten, copper and zinc reserves.

The total labour force in Kazakhstan is 9,211,000 as of 1 January 1996. The breakdown of GDP by sector is shown in Table 2.5 and of workforce by sector is shown in Table 2.6.

Table 2.5 - Breakdown by Sector of GDP (percentage)

Sector	1993	1994	1995
Industry:	31.00	25.92	21.82
Energy Sector	4.87	5.68	4.87
Chemical & Petrochemical Industry	1.24	0.96	0.79
NonFerrous Metallurgy	4.15	3.11	2.64
Ferrous Metallurgy	3.26	3.08	3.01
Electric Power	4.46	4.90	3.58
Machine Building & Metal Processing	3.07	1.89	1.27
Food Industry	3.53	2.57	2.36
Light Industry	1.80	0.98	0.57
Construction Materials	1.61	1.06	0.63
Wood Processing, Pulp, & paper	0.74	0.26	0.15
Other industries	2.26	1.43	1.96
Agriculture	13.00	14.00	11.39
Construction Services	9.00	9.05	7.00
Transport & Communications	6.00	7.89	9.46
Trade	4.00	15.67	18.40
Other and Taxes	37.00	27.47	31.93

Table 2.6 - Breakdown by Sector of Employment (percentage)

Sector	1993	1994	1995
Total employed workforce (thousands)	6,926.3	6,581.8	6,300.0
Industry	17.25	17.53	16.67
Agriculture	16.00	17.62	10.05
Services	44.74	41.30	40.58
Construction	7.10	6.26	5.56
Communications	1.14	1.29	1.28
Financial	0.75	0.77	0.78
Trade	4.24	4.38	3.83
Transportation	7.17	6.72	6.33
Other Services	24.34	21.88	22.83
Other	22.01	23.55	32.67

Heavy industry and large-scale agriculture (e.g. grain) are concentrated in the northern regions of Kazakhstan. The southern regions are mainly agriculture (e.g. cotton) with light and chemical industry bases and mining. The oil and gas industry is concentrated in the Western part of the country. The coal industry is concentrated in the Northern and Central parts of the country, especially the Karaganda and Pavlodar oblasts. Mining and processing of copper and its associated industry, are concentrated in Zhezkazgan.

Major goods and services provided under the various industrial, services and agricultural categories are described in Table 2.7 below.

Table 2.7 - Major Goods and Services

Sector	Major Goods
Fuel and Energy Sector	oil, gas, coal, electricity and heat
Chemical & Petrochemical Industry	chemical industry, calcium carbide, sulphuric acid monohydrate, mineral fertilizers, synthetic resins and plastics, yellow phosphor and chrome oxide
NonFerrous Metallurgy	bauxite, refined copper, lead, titanium and zinc
Ferrous Metallurgy	iron ore, manganese, chromate, cast iron, steel, rolled products of ferrous metals, sheet iron, tin and coke
Machine Building & Metal Processing	electromechanical machinery, machine tools, instruments, tractors, agricultural machinery, bulldozers, trolleybuses
Food Industry	processed meat, milk products and confectioneries
Light Industry	fabric, knitted products and footwear
Consumer Goods Industry	television sets, radio-receivers, refrigerators, furniture, tape-recorders and washing machines
Construction Materials	cement, bricks, reinforced concrete, asbestos, construction panels and roofing.
Wood Processing, Pulp, & Paper	timber, paper, lumber and cardboard

Sector	Major Goods
Agriculture	barley, corn, cotton, eggs, fruit, meat, milk, millet, oat, oilseeds, potatoes, rice, rye, sugar beet, tobacco, vegetables, wheat and wool. Cattle (6.9 million), sheep and goats (19.4 million) and pigs (1.6 million).
Construction Services	construction of roads, houses, buildings, pipelines and irrigation systems.
Transport & Communications	maritime, internal waterways, air, rail, space and road transport of passengers and freight; postal, courier and telecommunications.
Trade	import/export of all types of products. Warehousing, wholesale and retail services.

Energy constitutes the priority sector of Kazakhstan's economy. Kazakhstan's oil reserves are approximately 27 billion barrels. The Tengiz oil field is one of the richest oil reserves in the world. Exports from the Tengiz oil field could top one million-barrels per day once fully developed. In 1995, the volume of oil export was approximately 11.2 million tons. Low production levels are due to lack of adequate pipeline infrastructure for the export of oil. Kazakhstan currently depends on the Russian oil pipeline; with access limited by quotas due to limited pipeline capacity. The production and export of oil are expected to increase significantly once an oil export pipeline is built.

The Karachaganak gas deposit is one of the largest gas deposits in the world. The field contains approximately 453 billion cubic meters of gas and 5 billion barrels of oil. There are three oil refineries in Kazakhstan (Pavlodar, Shymkent and Atyrau) and three gas processing plants. The Pavlodar and Shymkent refineries mainly depend on Russian oil from Western Siberia.

### **Main economic indicators**

The main economic indicators of Kazakhstan are provided in Annex 1.

#### **(b) Current economic situation**

During the last three years, the GDP continued the decline begun in 1992, but at a lower rate in 1995 than in previous years. In 1995, the GDP fell by 8.9 per cent compared with a cumulative drop of approximately 40 per cent in 1993-1994. The total drop of GDP was approximately 50 per cent during 1991-1995 period. In 1995, the GDP was approximately US\$ 16 billion and the GDP per capita was approximately US\$ 980.

The decline in GDP was due mainly to economic restructuring. In main sectors such as industry, agriculture and construction, output dropped significantly during the last five years.

During the last two years, there was a modest budget deficit (1.8 per cent of GDP in 1994 and 2.3 per cent in 1995). Government expenditures still exceeded revenues mainly due to a weak tax collection system.

Price liberalization was completed by the end of 1995, except for natural monopolies and State services. Significant trade liberalization measures were taken during 1995 including elimination of import and export licensing for most goods and the elimination of export quotas. State-trading practices were eliminated and demonopolization of State monopolies was initiated in 1994. Competition currently exists in most sectors of the economy. Due in large measure to significant progress in privatization

and the development of entrepreneurship, the share of non-State<sup>1</sup> sector in GDP was increased from approximately 26 per cent in 1993 to 70 per cent in 1995.

The annual inflation rate was approximately 2,260 per cent in 1993 and 1,275 per cent in 1994. Inflation reached its all-time high of 45 per cent per month in June 1994. The high inflation rate in 1993 was caused by nominal wage increases, adjustments to administered prices, an increase in the price of energy imports and imported inflation from Russia since Kazakhstan was still in the Ruble zone in 1993. Kazakhstan left the Ruble zone in late 1993; introduced its own currency, the Tenge, on 15 November 1993; and subsequently embarked on a financial stabilization programme approved by the IMF. The Tenge was introduced at 4.68 per US\$.

Early in 1994, government credits to clear sizable inter-enterprise arrears led to near hyperinflation temporarily derailing progress toward stabilization and leading to a sharp real depreciation of the Tenge. The government and the National Bank, thereafter, strictly tightened the monetary and fiscal policies in order to suppress inflation. As a result, the annual inflation rate fell to around 60 per cent in 1995 and the real exchange rate returned to its level prior to clearing inter-enterprise arrears. Inflation for the first four months of 1996 was around 11 per cent (around 39 per cent annual). Figure 2.1 indicates the trend in inflation rates since it reached its peak in June 1994.

(Figure 2.1 will be reproduced in document WT/ACC/KAZ/3/Add.1)

The average exchange rate of Tenge was 35.62 per US\$ in 1994 and 60.93 per US\$ in 1995. The exchange rate of the Tenge was 66.9 per US\$ on 1 July 1996.

Interest rates in Kazakhstan on credits increased significantly during 1993 and 1994. The average rate of interest was approximately 113 per cent in 1993; 280 per cent in 1994; and 98 per cent in 1995. The trend in interest rates (refinance and treasury bill rates) from June 1994 until April 1996 is shown in Figure 2.2 below.

(Figure 2.2 will be reproduced in document WT/ACC/KAZ/3/Add.1)

Employment has been declining in most sectors since 1991. Unemployment was 10.97 per cent at the end of 1995 versus less than 1 per cent in 1993. The level of employment in the non-State sector has been increasing. At the end of 1995, at least 62 per cent of the employed workforce was in the non-State sector.

A more detailed discussion of economic policies, their main directions and goals, is provided in section 2 below.

## **2. Economic Policies**

### **(a) Main directions and goals**

Since independence in 1991, Kazakhstan has been undergoing a comprehensive economic reform toward an open, free and competitive market economy. During the past two years, significant progress has been achieved in many areas including trade liberalization, privatization of the economy, development

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<sup>1</sup> the non-State sector includes all economic entities except those entities where the State has more than 50 per cent ownership share

of competition in many sectors, inflation control, monetary and fiscal reform, price liberalization, financial sector reform, legal and regulatory reform, institutional reform and the establishment of a conducive environment for trade and investment. Accordingly, government interference in the market has been significantly reduced.

The progress demonstrated during the last two years will continue. The underlying goal of the Government's strategy for the future is to create an environment capable of achieving significant positive real GDP growth. To achieve this objective, a two-pronged strategy is envisaged. First, a consolidation and strengthening of the process of reducing inflation and achieving balance of payments viability; and second, acceleration of the structural transformation of the economy. Pursuit of this strategy, together with the development of an efficient and stable financial system, will contribute to the creation of a favourable climate for mobilizing domestic savings and investment.

### **Pricing policy**

Price liberalization, with the exception of natural monopolies and State services, was completed in Kazakhstan by the end of 1995. Profitability control, moreover, was lifted in September 1995 for non-natural monopolies as a result of greater competition created through demonopolization, elimination of barriers to entry and liberal trade policies. Currently, only public services such as electricity, water supply, gas, heating, postal, public transport and State services (e.g. automobile inspection, licensing and registration fees) remain subject to price control. Tariff rates for natural monopolies (e.g. power sector, oil and gas pipelines, communications) are currently regulated by the State Committee on Pricing and Anti-Monopoly Policy (Anti-Monopoly Committee).

### **Trade policy**

The aim of Kazakhstan's trade policy is to (i) liberalize trade and increase its volume and (ii) provides reasonable support to domestic industry. Contract registration is required for export of certain goods (cf. IV.2(e)). Import and export licensing and permissions were eliminated except for a few categories of goods representing less than 2 per cent of Kazakhstan's total value of trade (cf. section IV.1(f) and IV.2(d)). In addition, export quotas were totally abolished early 1995, except for quotas imposed by Russia on usage of the oil export pipeline and quotas on export of textiles imposed by the European Union. Import quotas do not apply in Kazakhstan. Finally, State trade monopolies have been abolished.

Recently, Kazakhstan eliminated all export duties except wheat other than Durum wheat.

### **Private sector development/privatization**

Development of the private sector has been one of the main priorities of the government of Kazakhstan since independence. The government has:

- established a conducive legal environment for attracting private foreign and domestic investment (cf. section II.2(d));
- opened the market for competition; and
- initiated an ambitious privatization programme.

As of the end of 1995, at least 62 per cent of employed workforce was in the non-State sector and 70 per cent of GDP was contributed by the non-State sector.

## Privatization

The first stage of privatization was initiated in 1991 and lasted for two years. During the first stage, approximately 10 per cent of State assets were privatized mainly through the sale of enterprises and shops to managers and employees in agriculture, retail and consumer services.

The second stage of privatization (1993-1995) was initiated in 1993 and consists of four separate privatization programmes based on the type of enterprises and number of employees: small-scale privatization (less than 200 employees), mass privatization (200-5000 employees), case-by-case privatization (more than 5000 employees) and agro-industrial complex privatization (all enterprises in the agriculture sector). The above general criteria were subject to various exceptions. For example, companies with less than 200 employees in the manufacturing and construction sectors were privatized under mass privatization.

**small-scale privatization:** This programme is conducted through cash auctions and commercial tenders. The total number of enterprises and objects qualifying for small-scale is estimated to be approximately 20,000 and concentrated mainly in the general retail, distribution and consumer services sectors. As of the end of June 1996, more than 74 per cent of these enterprises have been privatized.

**Mass privatization:** 1,712 companies in almost every sector of the economy have been offered for this programme. The mass privatization was conducted as follows: 10 per cent of shares were given to employees; around 51 per cent of shares were sold through coupon auctions to investment funds in which the citizens of Kazakhstan invest coupons distributed by the government; and the remaining shares (around 39 per cent) are currently being sold via open cash auctions to local and foreign investors. By the end of January 1996, coupon auctions were completed for all companies qualifying for mass privatization. More than 150 investment funds, many of which are linked to major banks and domestic private entrepreneurs, now own shares in these companies. Cash auctions under mass privatization were initiated in December 1995. As of the end of April 1996, more than 300 companies were sold through cash auctions. The government plans to complete mass privatization by the end of 1996.

**Case-by-case privatization:** There are around 160 large enterprises scheduled to be privatized under this programme mainly in heavy and chemical industry, extraction and processing of natural resources, energy, metallurgy, transportation (oil and gas pipelines, roads, railways and air transport), major department stores and telecommunications. The privatization of these enterprises may take the form of direct sale, auctions, management contract, or commercial tender (conditional sale). Case-by-case privatization is open to foreign investors without any limitations on foreign participation. As of the end of April 1996, 5 companies were sold to foreign investors, 24 companies are currently under management of foreign investors and 20 companies are under the management of local private companies. Contract management is viewed as an intermediate stage prior to sale. Companies which have management contract may have the option to purchase the enterprise at a later stage.

**Agro-industrial complex privatization:** Agriculture related processing industry such as food processing, mills, elevators were sold or transferred according to the following scheme: 10 per cent non-voting shares were given to employees; 10 per cent with priority sales to employees; 51 per cent to producers, suppliers and allied companies; and 29 per cent remained with the State. Currently, the remaining State shares are mainly being privatized via the mass privatization open cash auction which include foreign and local participation. As of the end of 1995, over 84 per cent (1,862 enterprises) of State enterprises in the agro-industrial complex were privatized.

As of 1 January 1996, more than 2,404 State farms (over 90 per cent of all State farms) were privatized. However, the land used by these farms is still owned by the State and leased on a long-term

basis. The majority of State farms have been sold at large discounts, or simply transferred, to employees. Housing privatization is approximately 80 per cent complete.

More than 35 per cent of State-owned trucks were privatized through small and mass privatization programmes. More than a half of the total truck fleet in Kazakhstan (the total is approximately 375 thousand) is currently owned by private individuals and companies.

The Presidential decree having the Force the Law No. 2717 On Land, dated 26 December 1995 permits private land ownership in Kazakhstan. Kazakstani legal entities whose shares may be 100 per cent foreign-owned now have the right to own land. The following types of land plots may not be privately owned: (i) land used for agricultural purposes except land plots for personal farming, horticulture and dacha construction, (ii) land used for defense purposes, (iii) nature reserves including forest and water stock land and (iv) commonly used land in populated areas. In addition, foreigners may not own land for the purpose of personal farming, horticulture, or dacha construction.

The concept of land ownership in Kazakhstan is limited to surface rights. Vertical licences, however, may be obtained on a temporary or permanent lease basis to make use of subsurface resources.

The Central Asian Stock Exchange (CASE) is one of the other mechanisms that have been used for privatization of State property. As of the end of April 1996, there was 117 companies listed on the CASE. A small number of these companies have State shares which may be traded with the permission of the State Property Committee.

The third stage of privatization (1996-1998) was initiated in early 1996 with the goal of completing privatization of remaining State assets with certain exceptions. Privatization during the third stage of privatization will consist of mainly cash privatization and will be open to foreign investors without limitations.

### **Sectoral priorities**

The Government plans to continue improving the legal and regulatory régime in order to establish conducive conditions for investment in all sectors, without exception. The Government plans to complete small-scale, mass and agricultural privatization by the end of 1996. In addition, the Government plans to continue case-by-case privatization in order to attract needed domestic and foreign investment, new technologies, management techniques and know-how. The goals are to increase production and to modernize and expand existing infrastructure, especially transport, electric power and telecommunications. The Government is open for BOT (Build-Operate-Transfer) schemes and other forms of investment in infrastructure. In addition to attracting investment, the Government priorities in the most important sectors of the economy are described in Table 2.8 below. Investment in these sectors is open equally to foreign and local investors.

Foreign investment has been steadily increasing in sectors listed in Table 2.8. Foreign investors in such sectors include AT&T, Agip, Australian Telstra, British Gas, Chevron, Deutsch Telecom, Elf, Exxon, France Telecom, LukOil, Mitsubishi, Mitsui, Mobil, Netas, Northern Telecom, Oryx, Shell, Siemens and Total.



Table 2.8 - Government Priorities in most important Sectors of the Economy

Sector	Priorities
Oil	<p>Increase in production</p> <p>Construction of internal and export oil pipeline</p> <p>Privatization of several enterprises in the oil sector, including refineries, within the context of case-by-case privatization</p> <p>Completion of the restructuring and privatization of the gasoline and oil products distribution company (Munai OnimDeri)</p> <p>exploration of oil in the Caspian sea</p>
Gas	<p>Increase in production</p> <p>Development of the Karachaganak gas deposit and other deposits</p> <p>Construction of the Zhanazhol gas refinery</p> <p>Privatization of several enterprises in the gas sector within the context of case-by-case privatization</p> <p>Exploration of gas in the Caspian sea</p>
Coal	<p>Privatization of several enterprises in the coal sector within the context of case-by-case privatization</p> <p>Modernization of mining processes</p> <p>Development and use of small coal deposits</p> <p>Shut-down of unprofitable mines</p>
Power	<p>Development of small power engineering by using alternative sources of energy: small rivers, solar energy and wind energy</p> <p>Promotion of energy saving technologies</p> <p>Construction of new power generation facilities and modernization of existing ones</p> <p>Privatization of existing power generation facilities</p> <p>Establishment of an Independent Energy Regulatory Commission</p>
Air Transport	<p>Restructuring of the State aviation company Kazakhstan AirWays: transferring of airports to local governments and privatization of related services.</p> <p>Modernization of airports, air traffic control and management</p> <p>Modernization and expansion of airports in major cities</p> <p>Modernization of aircraft fleet</p>
Rail Transport	<p>Expansion and modernization of rail network</p> <p>Privatization of railway related services</p>
Road Transport	Procurement of urban transport vehicles
Sea Transport	<p>Modernization of the Aktau seaport and establishment of an oil terminal for transport of oil through the Caspian sea</p> <p>Partial privatization of the Aktau seaport</p>
Telecommunications	<p>Expansion/modernization of Telecommunications system</p> <p>Privatization in the context of case-by-case privatization</p>
Agriculture	<p>Establishment of a system of mandatory insurance of agricultural production</p> <p>Improvement of irrigation systems</p>

**(b) Monetary and fiscal policy**

The major vehicles of the government's strategy to achieve financial stabilization and structural transformation of the economy have been the pursuit of tight fiscal and monetary policies.

**Monetary policy (inflation control, bank supervision, interest rate, monetary policy short-term)**

There are two basic objectives to monetary policy in Kazakhstan. The first is to control inflation and the second is to maintain the stability of the financial system. Kazakhstan has opted for a flexible exchange rate régime and is moving toward establishment of current account convertibility. With a flexible exchange rate régime monetary policy is important in its control of inflation and the influence it can have on the financial sector. Monetary policy is, therefore, active and as a result it must be both responsible and conservative. The NBK (National Bank of Kazakhstan) implements the monetary policy.

**Inflation control**

The NBK has so far exceeded its primary goal of inflation control. It resisted pressure to monetize the budget deficit and quasi budget deficit. In addition, it has followed strict monetary policy and net domestic asset targets. Accordingly, there was a steady decline in the inflation rate over the entire period since reaching its all-time high in June 1994. The NBK has managed to keep inflation to around 2.0 per cent per month as of May 1996.

The NBK tracks the relationship between the monetary base and inflation and has thus recently announced that it will continue its efforts to control the base. An inflation target of around 28 per cent in 1996 is one of the main goals of NBK policy.

**Banking Supervision and Regulation**

The NBK maintains stability of the financial system through banking supervision and regulation. Under the Decree On Banks and Banking Activities (the Banking Decree), adopted in August 1995 and the Decree On the National Bank of the Republic of Kazakhstan (the National Bank Decree), adopted March 1995, the NBK has the responsibility for protecting the stability of the monetary-credit system and the interest of creditors, depositors and other bank clients. In order to fulfil these responsibilities, the NBK is given the authority to oversee and regulate the activities of banks. More specifically, under the Banking Decree, the NBK determines the criteria for entering into the banking system, the procedures for licensing of banking activities, the conditions under which a controlling interest in a bank may be acquired and the procedures for removing problem banks from the system, through conservatorship or liquidation.

The NBK implements its supervisory policies through prudential normative requirements with which all banks must comply. These requirements include minimum capital requirements, limitation on loans to a single borrower, a minimum liquidity ratio and the limits of the bank's open currency position. In addition, there are restrictions on relations between banks and persons connected to the banks ("special relations" generally defined as management officials, physical persons holding more than 10 per cent of the bank's shares, close relatives of such persons and legal entities in which such persons are large participants). The NBK is authorized to conduct inspections of banking activities. Included in the measures that may be taken by the NBK are the imposition of written instructions or fines and the suspension or annulment of a bank's licence and the revocation of its permission to open.

### Interest Rate Policy

Kazakhstan is now moving into its second stage of reform and it faces several new tasks. While an inflation target of around 28 per cent for 1996 will still be one of the main goals of its policy, the NBK is increasingly concerned with the more complex financial market that has emerged as a result of its low inflation policies. In particular, with consistently low inflation the market for government debt and private financial markets begin to tolerate longer term loans. Thus interest rates have become an increasing concern of the NBK. To that end the NBK has established a policy to maintain a positive real rate of interest on the refinance rate (the rate at which loans to the government are made) and has established a lombard facility to act as lender of last resort.

It is possible to see that interest rates, after experiencing substantial variability and unrealistically high levels have levelled off and begun to converge. As rates converge, the NBK can begin to target the interbank rate. More importantly however, the NBK will be able to monitor developments on the increasingly important T-Bill market. This latter market is the most important area of development targeted by the NBK since it is one of the primary non-inflationary means of financing the budget deficit. In addition, IMF targets on external debt will put more pressure on the government to raise money from this source. As the secondary market grows the NBK intends to become the major participant on the market for secondary debt thus running full scale open market operations.

### Monetary Policy-Short Term

The imperatives for Kazakhstan in the carrying on monetary policy over 1996 and 1997 will, therefore, be three-fold:

- strengthening the autonomy of the NBK and having the NBK strongly commit to its net domestic asset targets (ceilings) so as to force the Government to seek alternative sources of financing and thereby, putting more pressure on developing the market for Government debt;
- close monitoring of interest rates by the NBK as the markets are now experiencing a convergence of rates, lower nominal but positive real rates and an increase in the number of debt instruments as financial innovation develops;
- sensitivity by the NBK about the move to full information on the lower-tier banking sector. The supervision and accounting reform measures will begin to come to fruition in the next future. As proper charts of accounts and supervisory standards are imposed the actual net worth of the lower-tier banks will become better known. The new information will serve growth in the industry and this will allow for better selection of long run banks by depositors raising the quality of the financial sector.

Since the budget deficit ultimately will determine the inflation rate, the Government plans to increase the quality of its deficit financing by:

- increasing tax collections so as to avoid a deficit problem in the first place; and
- developing the market for government debt more rapidly than at its current pace.

**Fiscal policy**

The Tax Code (Presidential Decree having the Force of Law No. 2235), adopted on 24 April 1995, represents most clearly the thrust of the Government's fiscal policy. It is the most comprehensive and systematic body of law dealing with taxes that has been introduced within the CIS and indicates a clear commitment to the use of market instruments in pursuit of policy goals.

The Tax Code is the only vehicle employed by the Government of Kazakhstan to specify compulsory nationwide and local taxes. In general, taxes are applied universally with a limited set of exemptions. The Tax Code provides for three major central government taxes: income tax for both business and individual; value added tax (VAT); and excise duty. Income tax is assessed on a residency basis rather than citizenship (with normal residency rules applying). Legal and natural persons who have taxable income in the tax year are taxpayer of income tax. Annual aggregate income of a resident taxpayer shall include all income sourced both within and without Kazakhstan. On the other hand, annual aggregate income of a non-resident taxpayer shall consist only of income sourced within Kazakhstan. The Code offers no preferences to foreign nationals or foreign owned or joint ventures.

The aggregate annual income comprises all types of income including: business income in cash or kind; employment income in cash or kind; and property income of natural persons.

The Code, in general, allows for the deduction of all expenses incurred in income generation. That being said, it does however limit the extent of deductions allowed with respect to interest, bad debts, R&D, depreciation and maintenance and repair costs. A five year carry forward of losses is permitted.

An individual is entitled to a basic deduction of monthly evaluation index<sup>2</sup> for him/her self and for each dependent.

Business income is taxed at 30 per cent (20 per cent in special economic zones) except for income derived principally from land for which the rate is 10 per cent. Individual incomes are taxed at progressive marginal rates varying from 5 per cent to 40 per cent. Individual income tax is withheld at source.

Dividends and Interest are subject to a 15 per cent withholding tax. For individuals this withholding tax represents the final tax on such income. As such any income on which tax has been withheld at source is exempt from further income tax. Tax crediting provisions effectively exempt dividends and interest received by business's from withholding tax.

Certain other payments to non residents are also subject to withholding tax and a branch tax is applied to the net after tax income of branches of foreign owned enterprises operating in Kazakhstan.

The Code provides for a VAT which taxes the value added through the various stages of production and distribution up to final sale for consumption or use. It is charged on both goods and services consumed in the country whether domestically produced or imported. The tax is paid at each point in the chain of sales but a system of tax crediting avoids any cascading effect. The tax is comprehensive with very few exemptions.

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<sup>2</sup> It is an internal government index updated quarterly. Currently, it is Tenge 460.

The basic rate for VAT is 20 per cent. Having just the one positive rate avoids liability disputes and keeps the tax simple to operate and administer. Exports are assessed at a zero rate with credit for all input taxes except for export to CIS countries

Excise duty is charged on a set of specified imported and domestically produced goods. A limited set of exemptions by user are specified. (cf. section IV.1(d))

Two other nationwide taxes are collected. They are a securities transaction tax; and special taxes and payments imposed upon mineral resource users. Further the Code details the following: local taxes: land tax; property tax; and tax on vehicles.

Within the overall government strategy, the fiscal policy will concentrate on the following four elements:

- raising tax revenues via a strengthened tax administration;
- improving the structure and management of expenditures;
- overhauling the social safety net; and
- continuing the process of divestiture of enterprises' social assets.

**(c) Foreign exchange, payments system and relations with the International Monetary Fund**

**Payments system**

The payment system in Kazakhstan involves paper-based instruments which can be transferred by post or telegraph as well as electronic payments which accounts for approximately 80 per cent of all banks transmissions including all payments which exceed Tenge 100,000. Since 1993, the NBK has adopted a number of regulations concerning bank accounts and certain types of payments instruments. At the present time, payments in Tenge must be made in accordance with the following rules and regulations:

- Temporary Regulation on non-cash settlements in the Republic of Kazakhstan;
- Instruction on settlement, current and budget accounts being opened in banks of the Republic of Kazakhstan;
- Temporary Regulation on interregional electronic payments;
- Regulation on settlement by Cheques in the Republic of Kazakhstan;
- Temporary Regulation on corresponding banking in the Republic of Kazakhstan;
- Temporary Regulation on settlement form based on promissory notes and bills of exchange in the Republic of Kazakhstan

The Banking Decree provides that relations between bank and client shall be maintained on the basis of a contract unless otherwise stipulated by legislation of the Republic of Kazakhstan and that the bank make money transfers in forms, methods and procedures established by the NBK. Cross-border transfers are made in manners existing in international practice and not contradicting the applicable legislation of Kazakhstan. According to Articles 48-51 of the National Bank Decree, the NBK has the authority to:

- organize, co-ordinate and regulate the functioning of the payment system;
- establish the forms, means and procedures for effectuation of the settlement of accounts, cashier servicing of banks and their clients;
- establish the economic responsibility for violation of the rules for performing account settlement operations;

- establish types and legal régime of accounts, types of payment instruments and rules for their circulation; and
- create clearing and account settlement organizations and to licence and regulate the activity of non-State clearing and account settlement organizations.

### **Foreign exchange**

Under the National Bank Decree, the NBK is authorized to:

- conduct interventions in the currency markets; and
- determine the sphere and procedure for the circulation in Kazakhstan of foreign currency and securities denominated in foreign currency, including the:
  - establishment of rules for the importing and exporting of foreign currency and the procedures for the issuance of licences to banks to perform foreign currency operations;
  - purchase and sale of foreign currency and government securities of foreign countries.

The primary law governing currency regulation, the Law On Currency Regulation, was enacted on 14 April 1993 (The Currency Law) and amended on 21 April and 20 July 1995. This law establishes the general provisions affecting currency operations in Kazakhstan. More specific provisions are set forth in the Rules of Hard Currency Transactions in the Republic of Kazakhstan, (the Currency Rules) which were issued by the National Bank of Kazakhstan on 24 November 1994 and which have been the subject of a number of liberalizing amendments throughout 1995 (24 January, 18 May and 16 November) and 30 May 1996.

The Law on Currency Regulation provides that Kazakstani residents may purchase foreign currency on the internal currency market under the procedures and for the purposes established by the NBK. Residents are permitted to have foreign currency accounts in Kazakstani or foreign banks under procedures established by the NBK. Under the Currency Law, foreign currency valuables (which includes currency, securities and precious metals) may be imported into Kazakhstan by residents and non-residents without limitation. Residents may export foreign currency in accordance with rules determined by the NBK. Non-residents may export foreign currency but must present to Customs Officials a declaration drawn up when they entered the country and upon which they reported any foreign currency being imported into Kazakhstan. If the amount of the foreign currency to be exported exceeds the amount that was imported, the non-resident must present a document from licensed bank or from non-bank exchange bureaus confirming the legality of his receipt of the amount to be exported.

The Currency Law charges the NBK with determining the exchange rate for the currency of Kazakhstan (the Tenge) with monetary units of other countries on the basis of the market currency exchange operations. The exchange rate is to be published in the press. Exchange rate for the sale and purchase of foreign currency for the equivalent currency of Kazakhstan are determined by the purchaser and seller autonomously. The trade at the organized currency market (Kazak Interbank Currency and Stock Exchange) is conducted every day and limited to Russian Ruble, US\$ and DM. There is also a very intensive interbank OTC market with transactions in many different currencies.

Banks are permitted by the Currency Law to freely purchase and sell foreign currency, both in Kazakhstan and abroad. Operations relating to the purchase and sale of foreign currency may be carried out by licensed banks and "exchange points" (legal entities having a licence from the NBK to carry out such operations). Residents may purchase foreign currency for an equivalent amount of Tenge, provided that foreign currency is necessary to effectuate current currency operations, in Kazakhstan or abroad, under procedures established by the NBK. Non-residents may purchase foreign currency on the condition that the assets used for such purchase are a receipt from a current payment by the

non-resident in Kazakhstan, in accordance with procedures established by the NBK. Both residents and non-residents may sell foreign currency in Kazakhstan in the procedure established by the NBK, at licensed banks and exchange points, for an equivalent amount of Tenge.

Mandatory exchange of currency is not required in Kazakhstan. Kazakhstan does not apply any restrictions related to international transfers and payments for current transactions related to services including (i) the transfer of foreign currency to and from Kazakhstan to affect payment on import and export of services, (ii) the receipt and granting of financial credits, (iii) transfer to and from Kazakhstan of interests, dividends, other revenues on deposits, investments and credits and (iv) non-commercial transfers including wages, pension and alimonies.

Foreign and local entities and residents may open and maintain local and hard currency accounts at any bank in Kazakhstan. However, no resident legal entity may maintain a bank account at a bank outside of Kazakhstan without the written permission of the National Bank.

According to the Currency Rules, payments in hard currency between the residents of Kazakhstan are prohibited except for lending and repaying loans. Lending in hard currency to natural persons is prohibited (Article 1.16). All hard currency transactions within Kazakhstan have to be done via licensed banks or exchange bureaus (Article 1.01).

Apart from the Currency Law and the Currency Rules, the 1994 Foreign Investment Law grants broad rights to foreign investors in terms of spending their own currency resources. Specifically, all money transfers in currency associated with foreign investments (whether inside or outside of the country) can take place without any restrictions. For example, foreign investors are permitted to settle their obligations, including the payment of wages to their resident and non-resident employees, in foreign currency. In addition, under the 1994 Foreign Investment Law, foreign investors may freely convert and repatriate their tenge earnings made inside Kazakhstan.

### **Relations with the International Monetary Fund and the World Bank**

Kazakhstan became a member of the IMF on 15 July 1992. A first loan for system transformation financing was granted in 1993, followed by two stand-by loans in 1994 and 1995 respectively. Another IMF loan is expected for period 1996-1998.

IMF has provided technical assistance to the National Bank of Kazakhstan in many areas including research and analysis of monetary-credit policy, currency and monetary-crediting regulations, automation and reform of the banking sector and developing and introducing a new chart of accounts.

Kazakhstan has been a member of the World Bank since 23 July 1992. Seven loans have been granted by the World Bank in the following order: technical assistance loan (1993), rehabilitation loan (1993), urban transportation rehabilitation loan (1994), petroleum sector technical assistance loan (1994), structural adjustments loan (1995), financial sector development loan (1995) and social protection loan (1995). Two loans are expected for 1997 and 1998 period: structural adjustment loan and structural adjustment in the financial sector.

Kazakhstan has met satisfactory the IMF and the World Bank conditions on privatization, demonopolization and trade and price liberalization for previous loans. The conditions for the period 1996-1998 include further liberalization in foreign trade.

**(d) Foreign and domestic investment policies**

Reforming the legal and regulatory investment régime was one of the major components of the broad based reforms undertaken by the government to (i) move from a centralized to a market economy and (ii) attract needed investment to increase production, modernize infrastructure and restructure the industrial base. Kazakhstan has established a sound legal environment conducive to investment. A number of important legislation modeled along international rules and standards were enacted including the Foreign Investment Law of 1994, the Tax Code of 1995 (cf. section II.2(b)), the Customs Code of 1995, the Decree of President having the Force of Law On Insurance of 1995, the Law on Development of Competition and Restriction of Monopolistic Activity of 1991 (cf. section II.2(e)), currency and banking laws and regulations (cf. section II.2(b)), intellectual property legislation (cf. section V) and President Decree having the Force of Law On Land of 1995 (cf. section II.2(a)).

The Foreign Investment Law (the FIL) provides for, *inter alia*, guarantees for national treatment and non-discrimination among foreign investors. Kazakhstan, moreover, has a policy of free and open admission to foreign investments. In other words, it does not restrict investment per se in any sector and it does not subject foreign investment to any prior authorization requirements. The FIL does not provide any investment incentives (e.g. tax holidays) either in general or with regard to a specific sector.

The Government plans to continue improving the legal and regulatory environment for foreign investment in 1996-1997 and to improve the conditions for stimulating the operations of credit, financial, investment and insurance institutions servicing the small and medium-size enterprises.

**(e) Competition policies**

Kazakhstan's Law on Development of Competition and Restriction of Monopolistic Activity (AML), enacted in 1991, is modeled according to international principles of competition. The aim of the competition policy in Kazakhstan is to stimulate commercial activities by developing and preserving open competition, restricting monopolistic practices and preventing discriminatory and unfair practices. The Anti-Monopoly Committee (AMC) and its network of 19 regional committees and one city committee (Almaty City) are entrusted in enforcing the AML. Under the AML, the AMC has a wide range of authority including (i) breaking-up dominant companies that raise serious monopoly concerns into smaller non-dominant and competing companies, (ii) preventing mergers and acquisitions that threaten competition, (iii) taking administrative and court actions against companies that violate the AML and (iv) invalidating government decisions that prevent competition and establish barriers to entry.

Monopolies formed the basis of much of Kazakhstan's economy during the period following independence 1991-1993. During the past two years, competition in Kazakhstan was developed through (i) demonopolization of State enterprises prior to privatization to ensure that State monopolies are not simply transferred to private monopolies, (ii) elimination of barriers to entry (e.g. exclusive rights), (iii) dissolving most State holding companies and national joint stock companies and (iv) restructuring several natural monopolies by separating natural monopoly features from competitive features and opening competition in the related service sectors. As a result, competition was developed in many sectors of the economy including distribution, trade, services (telecommunications, insurance, transport and construction) and production.

In addition, trade liberalization policy and elimination of State-trading practices have increased the level of competition and openness of the market in Kazakhstan. The government plans, by the end of 1996, to complete the process of restructuring the remaining national and State joint stock companies and State holding companies which will lead to further competition in the market.



The government requires licences for certain activities in order to ensure competence of providers, safety, health and protection of environment. Any economic entity may apply to obtain licences.

### **3. Trade In Goods and Services**

The value and volume of foreign trade in goods have been steadily increasing during the last three years. During the 1993-1995 period, growth in the value of import and export was approximately 21 per cent and 44 per cent respectively. The growth in export value is mainly due to increase in export prices for main goods exported from Kazakhstan such as wheat, oil and ferrous and non-ferrous metals. The Growth in foreign trade is expected to continue during the next five years.

In 1993, 1994 and 1995, import share of the GDP was 30 per cent, 28 per cent and 23 per cent respectively and export share of GDP was 33 per cent, 26 per cent and 31 per cent respectively. The balance of trade in goods for 1993, 1994 and 1995 amounted to US\$ 371.9 million, US\$ - 263 million, US\$ 1,232.3 million respectively. Import and export data used to compute the aforementioned trade balance are based on c.i.f. for imports and fob for exports and on customs cargo declaration. The balance of payment indicates a different trade balance of US\$ -922.9 million and US\$ -222.5 million for 1994 and 1995 respectively. The difference is caused by, *inter alia*, the following factors which were taken into account in the balance of payment: imports as luggage for commercial purposes, barter trade and fob prices for both export and import.

The main trade partners of Kazakhstan for 1995 were Russia (45.2 per cent of total foreign trade turnover of goods), Netherlands (6.0 per cent), Uzbekistan (4.9 per cent), Germany (4.2 per cent) and China (3.8 per cent). (See Table A1.33).

Statistics related to trade in services is partially maintained (cf. Table A1.34). During the period 1993-1995 the value of import of services have increased by approximately 87 per cent and the value of export has decreased by approximately 35 per cent.

Statistics related to the value and composition of foreign direct investment in domestic services is not maintained. However, foreign participation in the service sectors in the form of branch offices of foreign companies or joint ventures has been steadily growing over the past five years. Investors and companies from Australia, European Union member countries, Turkey and the United States have significant shares in the services sector including professional services (e.g. legal, accounting), construction, telecommunication, transport, trade and financial services.

A list of publications on foreign trade statistics of the Republic of Kazakhstan is provided in section 2 of Annex 1. In addition, section 3(b) of Annex 1 provides statistics on foreign trade, export, import, main trade partner and trade by geographic areas.

### **4. Information On Financial Movements Related to Nationals Working Abroad**

Currently, the number of Kazakstani citizens working outside Kazakhstan is not significant. Therefore, statistical data related to these citizens is not available.

### **III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES AFFECTING FOREIGN TRADE IN GOODS AND TRADE IN SERVICES**

#### **1. Powers of the Executive, Legislative and Judicial Branches of Government**

The Republic of Kazakhstan is a Presidential State with power divided among executive, legislative and judicial branches.

##### **(a) Powers of the Executive**

The President is Head of State and executive powers in the Republic of Kazakhstan are exercised by the President and the Government. The President is elected to 5 year terms of office on the basis of universal, equal and direct suffrage by secret ballot. The members of the Government, including the Prime Minister, Ministers and heads of State committees are appointed and may be dismissed, individually or collectively, by the President. The President also appoints three of the seven members of the Constitutional Council, seven of the forty-seven members of the upper house of Parliament, executive heads of local government units in the Oblasts and major cities, all diplomatic representatives of the State, the highest commanding officers of the armed forces and the Chairperson of the State Budget Committee. With the consent of both houses of Parliament, the President appoints the head of the National Bank and, with the consent of the Senate, the Procurator General and the Chairperson of the National Security Committee.

The President is authorized to prioritize draft laws for consideration by Parliament and, once adopted, to either sign them into effect or to exercise power to veto them. In order to override a Presidential veto, both houses of Parliament must generate a vote of at least two thirds of total members. The Parliament may delegate its legislative powers to the President for a period of up to one year. The President, moreover, may dissolve Parliament in the following cases: where insurmountable differences arise between the houses of Parliament or between Parliament and another branch of State power giving rise to a “political crisis;” where Parliament votes no-confidence in the Government or twice refuses to give its consent to the appointment of the Prime Minister. Finally, the President may call a national referendum and adopt decrees and resolutions implementing legislation.

The Government is organized and supervised by the Prime Minister who is, in turn, accountable to the President. The Government is authorized to develop, implement and enforce the main directions of socio-economic policy in the State including policies in the area of foreign relations, foreign economic relations, revenue generation, defense and public order. “Sub-law acts” in the form of resolutions and directives, which implement legislative acts, may be issued by the Government. The sub-law acts of the Government, as well as the acts of the executive heads of units of local government may be annulled by the President. The mandate of the Government expires with that of the President unless otherwise terminated by the President.

##### **(b) Powers of the Legislature**

The Parliament is a bi-cameral body with an upper house called the Senate and a lower house called the Majilis. There are sixty-seven deputies comprising the Majilis elected to four year terms on the basis of universal, equal and direct suffrage by secret ballot. The deputies of the Senate are elected to four year terms with half subject to re-election every two years. In addition to the 7 deputies appointed by the President, two deputies from each Oblast, major city and the capital, are elected at a joint session of the representative bodies of all local government units.

Upon the initiative of the President, Parliament may amend the Constitution. Parliament may also adopt Constitutional Laws, Laws, resolutions and decrees on issues that, “regulate the most important public relations.” At joint sessions, Parliament approves of and may issue changes to, the

State budget and put forward an initiative calling for a national referendum. At separate sessions, the Majilis and then the Senate may ratify or denounce international treaties and decide issues of State loans and other forms of economic assistance. The Senate, *inter alia*, has exclusive jurisdiction to elect and discharge the Chairperson and all Justices of the Supreme Court and the Chairpersons of the Collegium of Justice. The Majilis, *inter alia*, has exclusive jurisdiction to accept draft Laws for consideration and to announce regular and extraordinary Presidential elections. The Government prepares most draft laws which are subsequently initiated for consideration by Parliament either by the Government or Parliament members.

**(c) Powers of the Judiciary**

Judicial power in the Republic of Kazakhstan is exercised within the framework of a unitary court system divided among three tiers. The Supreme Court is a court of general appellate jurisdiction (and in certain contexts a court of original jurisdiction) with power to review all judicial decisions rendered by lower-tiered courts including those of the military courts. The Supreme Court, however, is divided into specialized Collegiums with one Collegium reviewing cases in each of the following four areas: economic, civil, criminal and military. The Supreme Court, moreover, may issue normative resolutions based upon court practice. These normative resolutions form binding precedents for courts subsequently considering similar cases and as such form part of the corpus of active law of the Republic of Kazakhstan.

At the next tier below the Supreme Court are the Oblast Courts, the Almaty City Court and the Military Court of Troops. The Oblast and Almaty City Courts are courts of general jurisdiction which may function as courts of original or appellate jurisdiction depending upon the gravity or importance of a case assessed according to rules of civil and criminal procedure. Like the Supreme Court, the Oblast Courts are specialized into Collegiums. The Oblast Courts, moreover, exercise powers of appellate review over the decisions of District Courts. Unlike the Supreme and Oblast Courts, the District Courts are exclusively courts of general and original jurisdiction and are not organized into specialized Collegiums. Finally, the Military Courts are courts of original and specialized jurisdiction.

While the Republic of Kazakhstan does not have a Constitutional Court, per se, cases before the courts which give rise to questions challenging the constitutionality of laws or sub-law acts and which appear to infringe the rights or liberties of individuals are suspended and reviewed by the Constitutional Council. The Constitutional Council may declare the law or sub-law act unconstitutional, rendering that law or sub-law act without legal force and issue normative resolutions which will then have the force of law.

**2. Government Entities Responsible for Making and Implementing Policies Affecting Foreign Trade**

The Government is responsible for developing the Republic of Kazakhstan's economic policy including policy on foreign trade which is expressed in the form of draft laws, resolutions and directives prepared by a Government Working Group ordinarily comprised of members of the Ministries of Justice, Economy, Trade and Industry, the Antimonopoly Committee and other relevant ministries and departments. Overall policy in the area of foreign relations is overseen by the Ministry of Foreign Affairs. The Government's general economic policy, including its foreign economic policy, is developed and coordinated through the Ministry of the Economy. Foreign economic policy concerning CIS member countries, however, is coordinated through the Committee for Economic Cooperation with the CIS.

The Ministry of Industry and Trade is the principal Governmental body responsible for generating State policy on international trade, including proposals on customs rates and duties which are subsequently implemented by the State Customs Committee; attraction and allocation of foreign investments;

and preparation of proposals concerning settlement and credit relations in the context of international agreements. The Ministry of Industry and Trade also assumes responsibility for issuing import and export licences. State finance policy, including currency control and currency aspects of foreign economic relations, is determined by the Ministry of Finance. Administration of currency control is carried out by the National Bank through the issuance of licences to conduct currency transactions.

### **3. Division of Authority Between Central and Sub-Central Governments**

The devolution of governmental authority from central to sub-central units occurs at several tiers from national to Oblast and finally District with the city of Almaty occupying the status of Oblast and other major cities the status of District. Local governmental power is divided between representative bodies called Maslikhats and local executives called Akims. Each Oblast (including the City of Almaty) has an Akim (appointed by the President) and a Maslikhat. Each major city has an Akim appointed by an Oblast Akim. The deputies of Maslikhats are elected to four-year terms on the basis of universal and equal suffrage by secret ballot.

Governmental powers affecting foreign trade are devolved from national to local authorities in accordance with the following six principles: (a) relative autonomy to regulate region-specific economic relations; (b) delineation of specific jurisdictional activities in accordance with the Constitution and the Law on Local Representative and Executive Bodies; (c) reciprocal obligations among the different tiers of government to conform business operations to requirements of social, environmental and moral standards; (d) State support of specific sectors<sup>3</sup> and regions and the promotion of inter-relations among local authorities, management bodies and business bodies; (e) allocation of budget resources and regional property within commercially sensitive margins; and (f) inter-governmental relations which promote a unified approach to issues affecting, *inter alia*, foreign trade.

### **4. Any Legislative Programmes or Plans to Change the Regulatory Régime**

The recently adopted Constitution, approved by national referendum on 30 August 1995, gives priority to international treaties over laws where such treaties have been ratified and are self-executing. The Constitution, moreover, requires all Constitutional Laws to be enacted within one year and all existing legislation to be brought into conformity within two years of the date the Constitution was approved. There are currently 2 draft laws before Parliament which impact foreign trade: copy right law and amendments to President decree On Licensing.

The Government's current legislative drafting agenda<sup>4</sup> for the next three years includes the adoption of new laws and the re-drafting or amendment of existing laws as follows:

- (a) Agenda for drafting new laws:
- The Law on Individual Entrepreneurship;
  - The Law on Notaries;
  - The Law on Government Procurement;
  - The Law on Anti-Dumping;
  - The Law on Depository Activities;

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<sup>3</sup> See section IV 3(a) *infra*.

<sup>4</sup> Adopted by Resolution No. 56 of the Government dated 12 January 1996.

- The Law on Selection Achievements;
- The Law on Export Control;
- The Law on Joint Stock Companies;
- The Law on Advertising;
- The Law on Pedigree, livestock breeding and Poultry;
- The Law on the Protection of Computer Programs;
- The Law on Secret Inventions;
- The Law on Ecological Control;
- The Law on the Issuance of Sovereign Guarantees;
- The Law on State Control of Foreign Economic Activities;
- The Law on Foreign Credits;
- The Law on Payments for Utilization of Biological Resources;
- The Law on Banking Guarantees;
- The Trade Sea Navigation Code;
- The Code on Automobile Transport;
- The Code on Railroad Transport;
- The Code on River Transport;
- The Code on Subsurface and its Use;
- The Law on the Commercial Utilization of Outer Space; and
- The Law on Investments of Entrepreneurial Agencies.

(b) Agenda for re-drafting existing laws:

- The Law on Development of Competition and the Restriction of Monopolistic Activities;
- The Civil Code, Part II (the Specific Part);<sup>5</sup>
- The Labour Code;
- The Law on Consumer Rights and Protection;
- The Law on State Duties;
- The Criminal Procedure Code;
- The Criminal Code;
- The Law on Local Self-Government;
- The Law on Currency Regulation;
- The Law on Bankruptcy;
- The Law on Employment of Population;
- The Code on Administrative Violations; and
- The Law on Standardization and Certification.

(c) Agenda for amending existing laws:

- The Law on Medical Insurance;
- The Law on State Statistics;
- The Law on State Registration of Legal Entities;
- The Law on Oil;
- The Law on Peasant Farms;

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<sup>5</sup>Including the basic legal régime for intellectual property protection.

- The Current Tax Legislation<sup>6</sup>; and
- The Law on Protection of Historic and Architectural Sites of Value.

The Government of the Republic of Kazakhstan recently issued Resolution No. 211 of 19 February 1996 requesting that all ministries and State committees submit proposals regarding changes to the legal environment and the foreign trade régime to conform to WTO. Accordingly, the aforementioned drafting agenda of the Government will most likely be changed during the preparation and submission of this memorandum.

## **5. Laws and Legal Acts**

A list of laws and legal acts affecting economic activity in general and foreign trade in goods and services, is found Annex 2 attached hereto.

## **6. Description of Judicial, Arbitral or Administrative Tribunals or Procedures, If Any**

### **(a) Judicial procedures**

Prior to judicial adjudication, plaintiffs must make a demonstrable effort to voluntarily settle disputes. Upon rejection of a plaintiff's claim, or failure by the defendant to provide a timely response thereto, a case concerning an "economic matter" may be filed with the Economic Law Collegium. Judgments are executed on the basis of a writ which is served, together with the judgment, by the Collegium. The parties have a right to appeal the judgment provided a petition is filed to the Economic Law Collegium of the Supreme Court within ten (10) days of receipt of the writ of execution. Filing a petition for review, however, does not suspend execution of judgment.

### **(b) Arbitral procedures**

Foreign investors are free to negotiate choice of forum clauses with their private counterparts in the Republic of Kazakhstan. Where foreign arbitral panels are selected and those panels render decisions pursuant to the terms of forum selection clauses, judges in the Republic of Kazakhstan are obliged to recognize and enforce those decisions in accordance with the Republic of Kazakhstan's commitments as a signatory to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and the 1969 Vienna Convention on International Agreements. Where disputes involve foreign investors and the State, the parties thereto may select from among a list of five international arbitration panels as set forth in the Law on Foreign Investment. Foreign investors involved in disputes with natural or juridical persons may also select from among existing or ad hoc arbitration panels in the Republic of Kazakhstan.

### **(c) Administrative procedures**

Administrative decisions are rendered in accordance with principles of administrative law and procedure as set forth in the Code on Administrative Violations. Administrative decisions may also be reviewed in the courts of the Republic of Kazakhstan.

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<sup>6</sup>Concerning refinement of system of local taxation, taxation of payments for special utilization of natural resources, responsibilities of tax and customs officials in the sphere of tax collection and borrowers, banking clients and depositors.

#### **IV. POLICIES AFFECTING TRADE IN GOODS**

##### **1. Import Regulation**

###### **(a) Registration requirements for engaging in importing**

There are no registration requirements for engaging in importing and all business entities, irrespective of their ownership, may engage in importing.

###### **(b) Characteristics of the national tariff and nomenclature**

The legal framework for Customs activities in the Republic of Kazakhstan (RK) consists of several separate but related laws and decrees. The President's Decree of 20 July 1995 on Customs Activities in the Republic of Kazakhstan No. 2368 and its implementing President Resolution No. 2369 and Government Resolution No. 298 of 12 March 1996 constitute the basic law on customs procedures, régimes and formalities. In addition, the Resolution on Tariff Import Rates of 15 August 1995 (No. 1125) and its amendment of 12 March 1996 (Decree No. 300), the Resolution on Customs Tariff Payments of 7 November 1995 (No. 1479) and the Resolution on Approval of the Commodity Exchange List of 28 July 1995 (No. 1035). Additional legislation that impact Customs activities may be found in section 1 of Annex 2.

The current import tariff nomenclature is based on the Commodity List of Foreign Economic Activity (CLFEC) and is patterned after the Harmonized System (HS) developed by the World Customs Organization (WCO). There are, however, some structural and coding differences between the tariff nomenclature of Kazakhstan and the Harmonized System. HS 96 changes have not yet been incorporated.

Import duties are levied on 70-75 per cent of the goods imported into Kazakhstan. There are both ad valorem and specific rates of duty in the tariff. The trade weighted average tariff rates on customs tariff groupings are provided in Table A1.35. In 1995, revenue from import duties constituted approximately 1.44 per cent of total government revenue. There are 97 separate categories enumerated in the tariff. The overall trade-weighted average import tariff rate is approximately 12 per cent based on 1995 import data. The current rates of duty on imports are published in the official press as well as in the mass media. Copies of the customs tariff have been transmitted to the WTO Secretariat.

The customs value of imported goods is normally the transaction value on a c.i.f. (cost, insurance, freight) basis and its calculation is largely based on the 1994 WTO Agreement on Valuation. When the transaction value of goods is inapplicable the other bases of valuation provided for in the WTO Agreement are applied sequentially.

Goods produced in and imported from developing countries, with a few exceptions, are subject to a duty rate which is 50 per cent of the MFN rate while goods produced in and imported from least developed countries, with a few exceptions, are free of duty. A list of these countries is provided in section E of Annex 8.

###### **(c) Tariff quotas and tariff exemptions**

There are no tariff quotas. There are tariff exemptions for a number of goods set out in the Customs Code, mostly Chapter 22, including the following:

- goods imported temporarily and retained under Customs control on the basis of one or more customs procedures;
- goods imported as part of the charter fund of companies with foreign interest;
- goods imported by the National Bank as well as currency (other than numismatic) and securities;
- goods declared at importation to be for re-exportation;

- goods originating in the least developed countries;
- goods re-imported within 3 years after their exportation;
- goods so damaged prior to their Customs clearance as to be unsuitable for use;
- goods imported as humanitarian aid including teachers' manuals for free educational, pre-school and medical establishments;
- goods imported as gratuitous assistance and/or charity under the auspices of States, governments, international organizations, including goods for technical assistance;
- goods from the countries forming a Customs Union with Kazakhstan;
- goods from countries with which Kazakhstan has bilateral free trade agreements in force, currently Kyrgyzstan and Moldova, with certain exceptions (cf. section VII.2) goods in transit;
- vehicles engaged in international trade;
- goods for official and private use of foreign government representatives; and
- goods imported or exported on a temporary basis according to Government Resolution No. 342 of 25 March 1996.

**(d) Other duties and charges, specifying any charges for services rendered**

A number of other duties and charges are levied on imports including: customs processing fee and other customs services; value added tax; excise tax; and dumping, seasonal, compensatory and special-purpose duties

**Customs processing fees and other customs services**

In addition to customs duty and in accordance with Article 118 of the Customs Code, an importer must pay a customs processing fee which currently amounts to 0.2 per cent of the total Customs value of the goods. This fee goes into the income of the Republic Budget (Customs procedures). Other fees connected with services rendered by the Customs are described in Table 4.1 below.

Table 4.1 - Customs levies and fees for customs services

Type of payment	Rate for services rendered in % of customs value or in ECU
Customs levies for customs processing of goods transferred through the customs boundary by legal and natural persons	0.2 %
For customs processing of vehicles transferred by natural persons	15 ECU per unit
Customs levies for customs processing of goods and vehicles outside designated areas and outside working hours of customs bodies.	levied in double
Customs levies for storage of goods in warehouses established by customs bodies for temporary storage	0.04 ECU per 1 kg gross per day
For storage of vehicles transferred as goods	3 ECU per unit per day
Customs levies for storage of goods in customs warehouses established by customs bodies	0.02 ECU per 1 kg gross per day
in special adapted premises (with use of specific equipment, establishing special temperature régime etc.)	0.03 ECU per 1 kg gross per day



Type of payment	Rate for services rendered in % of customs value or in ECU
Customs levies for customs' accompanying goods within the zone of activities of customs administration	100 ECU
Outside the zone of activities of customs administration	200 ECU
Payment for information and Consultancy	5 ECU

### Value Added Tax (VAT)

Most goods imported into Kazakhstan are, pursuant to Government Resolution No. 2235, subject to a Value Added Tax in the amount of 20 per cent, the same as is applied to domestic goods. The VAT is computed as follows:

- (a) goods subject to customs duties and excise taxes:  $T = (V + L + D + E) \times 20\%$ ;
- (b) goods subject to customs duties but not excise taxes:  $T = (V + L + D) \times 20\%$ ; or
- (c) goods subject to neither customs duties nor excise taxes:  $T = (V + L) \times 20\%$ .

(where  $T$ = VAT;  $V$ = Customs Value;  $L$ = Customs Levies;  $D$ = Customs Duties; and  $E$ = Excise Taxes)

The following imported goods are exempt from VAT:

- goods necessary for the operation of vehicles used in international transportation and/or acquired abroad in connection with emergency repairs;
- goods damaged beyond use prior to their importation;
- goods imported as humanitarian aid;
- goods imported for charitable purposes including the provision of technical assistance from State, governments and international agencies;
- confiscated, ownerless and escheated items;
- goods imported for official and personal use by foreign diplomatic and similar representative offices;
- national as well as foreign currency (other than numismatic) and securities;
- goods purchased at budget expenses and imported by organizations supported at the expenses of State budget as well as goods imported under foreign credit lines that are guaranteed by the State;
- goods imported by natural persons according to the rate of free duty import stipulated by the Government; goods imported or exported on a temporary basis according to Government Resolution No. 342 of 25 March 1996; and
- goods originated in and imported from CIS countries (Customs Committee Instruction No. 131-P of 29 September 1995 On Order of application of VAT and Excise related to goods imported to the territory of the Republic of Kazakhstan).

### Excise taxes

The Tax Code lists the goods that are subject to excise tax. The following Government Resolutions specify the various rates for excise taxes:

- Government Resolution No. 960 of 13 July 1995, as amended by Government Resolution No. 1397 of 30 October 1995 and Government Resolution No. 341 of 25 March 1996, specifies excise tax rates for imported goods.
- Government Resolution No. 974 of 14 July 1995, as amended by Government Resolution No. 1487 of 8 November 1995 and Government Resolution No. 341 of 25 March 1996, specifies excise tax rates for goods produced in Kazakhstan.
- Government Resolution No. 1439 of 2 November 1995 specifies excise rates for imported automobiles and lorries.
- Excise taxes for goods 1-11 listed in Table 4.2 are computed by simply multiplying the quantity by the applicable rate. For goods 12-22, excise taxes are computed on the basis of the customs value.

Exempt from excise taxes are the following:

- goods imported or exported on a temporary basis according to Government Resolution No. 342 of 25 March 1996.
- goods originated in and imported from CIS countries (see VAT above)
- all alcohol intended for use in production of liqueurs, vodka products, fortified drinks and juice, wine and balsam provided that it is purchased by a licensed producer.

#### Other duties and fees

In addition, according to Articles 109, 113, 114, 115, 116, 119 and 120 of the Customs Code, the following duties and/or fees may be payable:

- seasonal duties when effective;
- anti-dumping duties when in effect (cf. IV.1(m) below for more details);
- countervailing duties (compensatory duties) when in effect (cf. IV.1(n) below for more details);
- safeguard (special-purpose duties) when in effect (cf. IV.1(o) below for more details); and
- special fees for storage, transport under Customs control, issuance of customs licences (e.g. duty free shops), issuance of qualification certificates, preliminary decisions and participating in Customs auctions.

Table 4.2 - Goods subject to Excise Tax

Goods Subject to Excise Tax	Domestic Rates	Import Rates
All alcohol	3.5 ECU/L	3.5 ECU/L
Liqueurs and vodka products	0.6 ECU/L	3.0 ECU/L
Vodka	0.7 ECU/L	3.0 ECU/L
Fortified drinks, juices and balsam	0.6 ECU/L	3.0 ECU/L
Wine	0.3 ECU/L	0.8 ECU/L
Fine Wine	0.15 ECU/L	0.8 ECU/L

Goods Subject to Excise Tax	Domestic Rates	Import Rates
Cognac	0.3 ECU/L	3.0 ECU/L
Champagne	0.3 ECU/L	0.8 ECU/L
Beer	0.05 ECU/L	0.2 ECU/L
Wine-making ingredients	0.1 ECU/L	0.1 ECU/L
Tobacco products and other products containing tobacco	0.75 ECU per 1000 units	2.0 ECU per 1000 units
Sturgeon and salmon, their roe and delicacies made therefrom	100%	100%
Gold, platinum or silver jewellery	40%	40%
Cured and non-cured furskins (except mole, rabbit, dog, deer, sheep skins)	20%	50%
Cured and non-cured furskins of Karakul	7%	50%
Wearing apparel made of Karakul	10%	50%
Coats, short coats, jackets and mantles with decoration made from Karakul	10%	50%
Wearing apparel made of natural fur (except mole, rabbit, dog, deer, sheep)	50%	50%
Overcoats, short coats, jackets and mantles with decoration made from fur (except mole, rabbit, dog, deer, sheep)	50%	50%
Clothing made of natural leather	50%	50%
Objects made of crystal, including lighting appliances	50%	50%
Diesel fuel	5%	5%
Gasoline (other than aviation gasoline)	20%	20%
Passenger automobiles	N/A	10-25%
Lorries with a carrying capacity under 1.25 tonne	N/A	15%
Firearms and gas weapons (other than those for the needs of State agencies)	40%	40%

**(e) Quantitative import restrictions, including prohibitions, quotas and licensing systems**

Pursuant to Article 20 of the Customs Code, quantitative import restrictions may be established in the interest of national security; ethics; health (human, animal and plant); the environment; art, history and archaeology; protecting the rights of consumers and protecting ownership rights such as intellectual property.

Currently, Kazakhstan does not have any import quotas. Import licences are required for the importation of certain goods as set out in IV.1(f) below.

**(f) Import licensing procedures**

Certain goods such as pharmaceuticals and medical equipment; opium, narcotics and psychotropic agents; enciphering devices and instructive and technical documentation relating thereto; explosives

and explosive devices; service and civil armaments and instructive documentation relating to military products and industrial waste require a licence issued by the Ministry of Industry and Trade after prior approval of other concerned body of the government (cf. Table A3.1). Licence for other goods such as arms, military equipment and nuclear materials is issued by the Ministry of Industry and Trade after permission of the government is granted.

See Annex 3 for a detailed description of the licensing system in effect in Kazakhstan. Table A3.1 lists the goods that require import licence and Table A3.2 lists the goods that need permission of the government for import. Exhibit A3.1 illustrates the import licensing application.

**(g) Other border measures, e.g., any other schemes that have border effects similar to those of the measures listed under (e) above**

There are no other border measures with effects similar to those listed under (e) above.

**(h) Customs valuation**

The customs valuation system provided for in Chapter 20 the Customs Code of Kazakhstan is based on and is largely in compliance with, the WTO Customs Valuation Agreement. Transaction value is used as the primary basis of valuation by customs although this may not always be the case when the customs valuation is reported by the Societe Generale de Surveillance (SGS) who, by contract, provides valuation information on imports valued over US\$ 3,000 which are not from other CIS countries. (cf. IV.1(i)). Also, see Annex 4 for a detailed description of the valuation system of Kazakhstan.

**(i) Other customs formalities**

The customs formalities required by Kazakhstan law are based on those procedures set out in the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) authored by the World Customs Organization (WCO). These include completing a declaration, submitting a copy of the contract and any necessary licences, permits or certificates, where necessary a report of findings from SGS and paying of all applicable duties and taxes before release of the goods.

**(j) Pre-shipment inspection**

The Government of Kazakhstan entered into a three year agreement, effective 1 January 1996, with Societe Generale de Surveillance S.A. to provide pre-shipment inspection of goods, other than those from CIS countries and goods which are valued at not more than US\$ 3,000. Objects of art, precious stones and metals, weapons, explosives, nuclear materials, live animals, humanitarian aid, newspapers and periodicals, household and personal effects, gifts and parcel post goods are also exempt from PSI.

**(k) Application of internal taxes on imports**

The only internal taxes which apply to imported goods are the Value Added Tax (VAT) and the excise tax mentioned in (d) above. Both apply to domestic products as well as to imported goods.

**(l) Rules of origin**

The country of origin of all goods is to be determined for tariff and non-tariff purposes in respect of both imported and exported goods. The system in use is that developed by the World Customs Organization and found in their Kyoto Convention and set out in Chapter 21 of the Customs Code of Kazakhstan.

The rules contemplate two different albeit basic criteria: that of goods wholly produced in a given country where only one country enters into consideration in attributing origin and that of goods having been substantially transformed where two or more countries have taken part in the production of the goods. The “wholly produced” criterion applies mainly to natural products such as live animals, minerals, fruits, etc. whereas the substantial transformation criterion applies to goods which have undergone processing in two or more countries. In the latter case, various tests such as change in tariff heading, value added, or a list of manufacturing processes may be used to determine whether a substantial transformation has taken place. A group of countries may be considered as one country for origin purposes.

**(m) Anti-dumping régime**

Article 115 of the Customs Code of Kazakhstan provides for the imposition of anti-dumping duties if goods are imported into Kazakhstan at prices lower than their regular prices in the country of exportation at the moment of export and if such imports inflict or threaten to inflict damage to domestic manufacturers of similar or directly competing goods. The rates of the duties are established by the Government after consideration of each individual case and the amount must be in proportion to the degree of the estimated damage. Any decision must be economically founded. Further procedural rules and implementing regulations will be elaborated and the imposition of anti-dumping duties will be in full compliance with the rules of the WTO.

Kazakhstan has so far not imposed anti-dumping duties.

**(n) Countervailing duty régime**

Article 116 of the Customs Code stipulates that countervailing duties are applied if imported goods, the manufacture or export of which has been directly or indirectly subsidized, inflict or threaten to inflict damage to Kazakhstan manufacturers or impedes the organization or expansion of the production of similar products. The procedural rules in respect to countervailing duties as well as how subsidization will be defined and calculated and duties imposed will be elaborated in accordance with WTO rules.

Countervailing duties have not been used so far.

**(o) Safeguard régime**

Article 114 of the Customs Code provides for the imposition of Special-Purpose Custom duties as a protection remedy if goods are imported into Kazakhstan in such quantities or on such terms that they inflict or threaten to inflict damage to domestic manufacturers. Procedural rules will be elaborated in accordance with WTO rules.

**2. Export Regulation**

**(a) Registration requirements for engaging in exporting**

There are no registration requirements for individuals or companies to engage in exporting.

**(b) Customs tariff nomenclature, types of duties, duty rates, weighted averages of duty rates**

Government Resolution No. 810 of 28 June 1996 eliminated export duties for all exported goods except Wheat other than Durum Wheat 100190. The duty rate is 7 per cent until 1 August 1996.

VAT does not apply to export except for CIS countries.

**(c) Quantitative export restrictions, including prohibitions, quotas and licensing systems**

Export quotas apply only for export of textiles (cf. section IV.5(a)) and oil export (due to pipeline capacity). A limited number of products are subject to export licensing and this is covered in more detail in IV.2(d) below.

According to Annex 6 to Government Resolution 298, the following products may only be exported with the permission of the appropriate Ministry:

- weapons of any type, ammunition therefor and military outfits - with the permission of the Ministry of Defence, the National Securities Committee and the Ministry of the Interior;
- objects of art, antiques and other articles having major artistic, scientific and cultural value - with permission of the Ministry of Culture and subject to an export duty of 100 per cent.

In addition, the Law On Export Control of Armaments, Military Technology and Products of Double Application, dated 18 June 1996, establishes a licensing régime for exporting armaments, military technology and products of double application (defined as including mass destruction weapons) and in circumstances covered by Article XXI of GATT.

**(d) Export licensing procedures**

While the number of products requiring export licences has decreased significantly during the past year, export licences are required for certain animal products; pharmaceutical raw materials of vegetable and animal origin; pharmaceuticals and medical equipment; pharmaceuticals for veterinary purposes and veterinary equipment; certain geological and mineralogical information; certain types of raw materials, consumables, equipment, technologies and scientific research information which may be used in creating armaments and combat equipment; materials, equipment and technologies which have peaceful application but may be used for creating rockets, nuclear, chemical and other types of mass destruction weapons; enciphering devices (including components for enciphering equipment and software for enciphering) instructive documentation to enciphering equipment (including those concerning design and operation); powder, explosives, explosive devices and pyrotechnics; and certain narcotic and psychotropic agents and venoms.

In accordance with Resolution 298 the Ministry of Industry and Trade has primary responsibility for the issuance of licences; however, the Ministry primarily concerned with the goods in questions must approve the issuance of the licence, e.g. the Ministry of Health Protection for pharmaceuticals. See Table A9.1 for a complete listing of goods requiring an export licence.

Anyone wishing to export goods must apply to the Ministry of Industry and Trade for an export licence and submit the contract concerning the goods to be exported. If the necessary information has been submitted, a decision will be taken within 10 days of the application. The licence will be valid for the period of time necessary to complete the exportation process but not longer than one calendar year. If justified, the term of an export licence may be extended if justified. If a request

for an export licence is denied it must be for just reason and the applicant is notified of the reason in writing if he so requests.

The application for export licence is similar to the import licence application provided in Exhibit A3.1.

Certain goods such as arms, military equipment and nuclear materials require permission from the government as a condition to apply for an export licence. A list of these products is provided in Table A9.2.

**(e) Other measures, e.g. minimum export prices, voluntary export restrictions, orderly marketing arrangements**

Export contracts for certain categories of products must be registered at the Commodity Exchanges. Approximately 26 per cent of total value of export (based on 1995 export data) is subject to contract registration. Government Resolution No. 1035 dated 28 July 1995 and its amendment Government Resolution No. 304 dated 13 March 1996 specify the list of exports subject to contract registration at the commodity exchanges. There are minimum export prices on certain basic products. Table A9.3 provides the list of products subject to contract registration. Table A9.4 provides the fee schedule for registering contracts at the Commodity Exchanges.

There are no voluntary export restrictions or orderly marketing arrangements in effect in Kazakhstan.

**(f) Export financing, subsidy and promotion policies**

Kazakhstan does not sponsor or finance enterprises, regardless of their form of ownership, to participate in trade shows. In addition, the government does not organize or finance any trade shows or advertising aimed at promoting products made in Kazakhstan.

Starting in 1996, the government plans to provide preferential credits to small and medium size industrial enterprises focusing on export or import substitution (cf. section IV.3(a)).

On 26 January 1996, the President issued a Decree establishing the legal framework for free economic zones with the goal of creating efficient export production (cf. section IV.3(g)).

**(g) Export performance requirements**

There are no export performance requirements imposed by the government on enterprises including trade balancing requirements and export requirements.

**(h) Import duty drawback schemes**

Provision is made in the Customs Code, Chapter 15, for drawback on goods imported into Kazakhstan and re-exported with no change in condition. When goods are imported they must be declared for re-export and they are exempted from payment of import duties and taxes. They must be exported in the same condition as imported and within six months of their importation. Otherwise, they are liable to full duties and taxes plus interest.

In the case of the re-exportation of goods on which duties and taxes have been paid, the duties and taxes may be refunded if the goods are in the same condition as when imported, they have not been used for profit purposes and they are re-exported within two years of their importation.

Provision is made in the Customs Code, Chapter 9, for the refund of customs duties and taxes on goods which have been imported, subjected to processing and then re-exported. The goods must be declared for processing at the time of importation and a permit obtained from customs to undertake the processing. Goods may be used for manufacturing; installation, assembly and adjustment to other goods; processing and treatment; repair, including replacement; and utilization of certain goods in production or manufacture even where such goods are fully or partially consumed. The processing of goods must be completed within time limits set by the customs which take into account the time requirements for re-processing and export of the goods. Goods which have been processed in accordance with the requirements of the Customs Code shall be entitled to a refund of Customs duties and taxes if the goods are re-exported within two years of their importation. The foreign components of such processed and re-exported goods shall be exempt from customs export duties.

### **3. Internal Policy Affecting Foreign Trade in Goods**

#### **(a) Industrial policy, including subsidy policies**

The industrial policy of Kazakhstan is to modernize its industrial base, increase industrial output and establish an effective industrial structure through attracting local and foreign investment to all sectors and privatizing the industry (cf. section II.2(a) and section II.2(d))

Kazakhstan maintains domestic agricultural and non-agricultural subsidies.

#### **Agricultural subsidies**

Tables on domestic subsidies in agriculture are provided in Annex 11.

The Government grants agricultural subsidies to support small and medium size State and private enterprises. In 1995, the total agricultural subsidies was approximately US\$ 878 million and constituted approximately 5.4 per cent of GDP. The Government provided domestic subsidies mainly in the following forms:

- subsidies through the Agricultural Support Fund in the amount of US\$ 56 million;
- credits through the ExIm Bank of Kazakhstan in the amount of US\$ 1.1 million;
- loan guarantees issued in 1995 in the amount of US\$ 133 million; and
- rescheduling of arrears US\$ 525.6 million.

Other agricultural subsidies include preferential tariff rates for railroad transport of agriculture and food products produced locally (70 per cent of regular rates). In addition, Article 30 of the tax code provides preferential tax rates for income derived from activities where land is the main mean of production (e.g. agriculture) 10 per cent vs. 30 per cent for non-agriculture.

#### **Non-agricultural subsidies**

Table 4.3 summarizes industrial subsidies for 1995 and 1996 (planned).

The Government provides specific non-actionable subsidies, in the form of aid, to certain oblasts which are disadvantaged. The Oblast Administration has discretion in distributing these funds internally



within the oblast. The total amount for 1995 was approximately US\$ 325 million. For 1996, the total planned aid to regions by the Government is approximately US\$ 308 million.

Other non-agricultural subsidies include preferential rates for railroad transport of coal (50 per cent of regular rates).

Table 4.3 - Industrial Subsidies for 1995 and 1996 (millionUS\$)

Types	1995	1996
I. Non-specific subsidies		
1. Preferential internal credits via ExIm Bank	131.90	117.70
2. Preferential internal credits via Rehabilitation Bank	93.95	93.75
3. Government guarantees on external loans	500.00	250.00
Total	725.85	461.45
II. Specific subsidies		
Actionable subsidies		
1. Tax deferments	92.00	200.00
2. Forgiven debts	0.36	0.40
3. Deferred debts	67.79	200.00
Total	160.15	400.40
Export subsidies		
1. Preferential credits directed to support of export and import substitution	0.00	50.00
Total	0.00	50.00
Grand Total	886.00	911.85
Share of Total Subsidies in Percent of GDP (1995)	5.40%	5.60%
Share of Actionable Subsidies in Industrial Production (1995)	4.51%	11.27 %
Share of Actionable & Export Subsidies in Industrial Production (1995)	4.51%	12.67 %
Share of Export Subsidies in Industrial Production (1995)	0.00%	1.41%

**(b) Technical regulations and standards, including measures taken at the border with respect to imports**

Standards and certification in Kazakhstan are not intended to establish technical barriers to trade or to disrupt trade. The main goals are to ensure safety, health, protection of the property of citizens and protection of the environment. Foreign goods, regardless of the country of origin and domestic goods have to comply with the same standards and certification requirements without any exception. Annex 5 summarizes the legislation and procedures related to standards and certification. GosStandard is responsible for administering and enforcing the law On Standardization and Certification, dated 18 January 1993.

Government Resolution No. 411 of 20 May 1993 lists 24 product categories that require certification prior to sale, regardless whether these products are imported or domestically produced. The list is provided in Annex 5 and covers all products that require certification for safety, sanitary and environmental reasons. In respect to health, sanitary/hygiene test results are used as the basis for granting the certificate of conformity.

As of 1 January 1996, there are 27 certification bodies and 175 testing laboratories in Kazakhstan. Thirteen regional bodies of GosStandard are also accredited for certification. Kazakhstan honours certificates provided by State certification bodies of Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan and Uzbekistan. In addition, there are five foreign companies accredited by GosStandard to issue certificates: Gas de France, France; MertControl, Hungary; Societe Generale de Surveillance (SGS), Switzerland; TUF Rheinland Holding AG, Germany; and Turkish Institute of Standards, Turkey. Any foreign or domestic certification body may apply to GosStandard for accreditation to issue certificates. The requirements and the procedures are the same for domestic and foreign certification bodies.

The Government of Kazakhstan plans to harmonize with international standards. Kazakhstan is a member of International Organization for Standardization (ISO) and International Organization for Legal Metrology. Kazakhstan has also adopted over 130 International Electrotechnical Commission (IEC) standards. The Government of Kazakhstan is currently in the process of negotiating agreements on standards with China, Turkey and the United States.

Measures taken at the border with respect to an imported good that must correspond to standards are described in Annex 5 and are based on Order of Customs Control over Products Subject to Compulsory Certification and Government Resolution No. 1891 of 29 December 1995.

**(c) Sanitary and phytosanitary measures, including measures taken with respect to imports**

Sanitary standards are developed for the purpose of protecting human, animal, or plant life or health and are not developed for purposes of discrimination or protection of domestic market. Sanitary standards are developed by technical committees including the Ministry of Health Protection. The concurrence of the Ministry of Health Protection is required before GosStandard adopts standards related to sanitary matters.

Goods which are hazardous to health must meet Kazakhstan's standards. Government Resolution No. 411, dated 20 May 1993, provides a list of all product categories (see Annex 5) subject to compulsory certification to ensure safety, health, protection of property of citizens and the environment. Product categories of sanitary concerns are included in this list. Hygiene conclusion is one of the requisites for obtaining the certificate for products requiring sanitary certification. Certificate of conformity may be granted by any of the domestic and foreign certificate bodies listed under IV.3(b). accredited according to legislation described in Annex 5.

Measures taken with respect to imports are the same as described under section IV.3(b), with only one exception. Notwithstanding certification, the Customs must inform the bodies of State sanitary-epidemiological supervision to ensure that the shipment or product pass sanitary tests where a container or packaging is damaged. If the product does not pass sanitary tests, then it is not cleared through customs and actions are taken according to Government Resolution No. 1891 described in Annex 5.

**(d) Trade-related investment measures**

Kazakhstan does not have any Trade-Related Investment Measures (TRIMs) and does not impose local content requirements and/or trade balancing requirements except in the oil and subsurface sectors. The Law on Oil and the Law on Subsurface Utilization require investors to give preferences to Kazakhstani goods and equipment if they are competitive in terms of ecological and technological characteristics, price, operating parameters and supply conditions.

**(e) State-trading practices**

Kazakhstan does not maintain enterprises covered by the provisions of Article XVII and the understanding on the interpretation of Article XVII of GATT 1994. The Government of Kazakhstan does not grant to any private or State enterprise, including marketing boards, exclusive or special rights or privileges, including statutory or constitutional powers, in the exercise of which they influence through their purchases or sales the level or direction of imports or exports. State and private trade enterprises operate in a non-discriminatory and competitive market environment. There are no import or export companies that have exclusive rights, except companies, authorized by the Government to trade in military and nuclear related materials and precious metals, the activities of which fall under the exceptions of Article XXI and XX of GATT 1994.

In addition, the Law on Development of Competition and Restriction of Monopolistic Activity (Articles 6 and 8), adopted 11 June 1991, prohibits State and administrative bodies from restricting competition in the market.

Licences are required for the import and export of a limited set of products (cf. section IV.1(f) and IV.2(d)). Any economic entity may apply to obtain these licences.

**(f) Free zones**

Chapter 12 of the Customs Code, dated July 20, 1995, Free Customs Zones and Free Warehouses envisages the creation of free customs zones and free warehouses within which any commercial operations, except retail trade, may be conducted. This includes the transshipment of goods. There is not any limitation on the period for which goods may stay in the free customs zones and free warehouses. Entities conducting any type of commercial activities, including production, in free customs zones and free warehouses must keep records of all commercial transactions to be presented to the central body of the Customs Committee. The Customs Committee regulates and supervises the activities of free customs zones and free warehouses.

The territories of free customs zones and warehouses meet international requirements in terms of their customs régime and the zones and warehouses are treated as located outside the customs territory of Kazakhstan.

Free customs zones are established and abolished by Government resolutions and are administered by the Customs Committee of the Republic of Kazakhstan. Free warehouses are established after obtaining a licence from the central body of the Customs Committee.

Only Kazakhstani legal entities and natural persons have the right to establish free warehouses. Kazakhstani legal entities may be fully or partially foreign-owned. The National treatment stipulated under article 4.1 of the foreign investment law applies under this condition.

Currently, there are no free customs zones or free warehouses in Kazakhstan.

**(g) Free economic zones**

There are two legal texts dealing with free economic zones:

- Chapter 12 of the Customs Code of July 20, 1995, Free Customs Zones and Free Warehouses
- Decree of the President On Special Economic Zones in the Republic of Kazakhstan, of 26 January 1996

Chapter 12 of the Customs Code envisages the creation of free customs zones and free warehouses in Kazakhstan. In such zones and warehouses, all kinds of commercial operations, including production, are permitted with exception of retail trade. Regulations of free customs zones and warehouses is described in section IV.3(f) above.

The Decree of the President on Special Economic Zones stipulates that special economic zones are established in order to accelerate the economic development and integration into the world economy of certain regions of the country. This should be achieved, *inter alia*, through the creation of highly efficient export oriented production, the attraction of investments and the introduction of modern management methods and social norms.

Special economic zones are established for a specific period of time by Presidential Decree and may be abolished prematurely by Presidential Decree if they do not achieve the purpose for which they were established. The Chairman of the Administrative Council of the Economic zones is appointed and dismissed by the President. The administrative authority in the special economic zones enjoys considerable degree of autonomy and is financed by taxes and fees paid by legal entities and natural persons registered in the territory of the special economic zone.

In case of changes in the legal régime of the special economic zone or premature abolishment of the special economic zone, entities conducting investment activities in the economic zone have the right to continue conducting such activities under conditions at the moment of initiation of investment and until the termination of the period of the special economic zone (but no longer than 10 years from the time of changes or abolishment of the special economic zone).

The special economic zones are treated as being outside the customs territories of Kazakhstan. However, legal entities in the special economic zones are subject to the taxation, registration and licensing legislation of the Republic of Kazakhstan. Banking activities may also be carried out in special economic zones according to the banking legislation of Kazakhstan.

Kazakstani legal entities and natural persons have the right to register in the special economic zones. Kazakstani legal entities may be fully or partially foreign-owned. The National treatment guarantee stipulated in Article 4.1 of the Foreign Investment Law applies under this condition. Foreign investment in special economic zones is governed by the foreign investment law of Kazakhstan. The law On Special Economic Zones envisages the admission of foreign citizens into the special economic zones.

Currently, there are no free economic zones in Kazakhstan.

**(h) Trade-related environmental policies**

There are no products prohibited from import into Kazakhstan because of environmental reasons. Licences, however, must be obtained from the Ministry of Industry and Trade, after concurrence of the Ministry of Ecology and Bio-Resources, for the purpose of import and export of several goods

(c.f. Table A3.1 and Table A9.1). In addition, Government permission is needed for the import and export of nuclear materials, technologies, equipment and installations, special non-nuclear materials, sources of radioactive radiation including radioactive waste

According to the Law on Protection of Environment and Government Resolution No. 637 of 25 October 1991, new technical devices, technologies, materials and substances may not be imported to or produced in the territory of Kazakhstan for the first time without positive conclusion of the State ecological expertise conducted by the Ministry of Ecology and Bio-Resources. The applicant must submit documents indicating the potential impact on environment.

Environmental standards are developed for the purpose of protecting the environment and are not developed for the purpose of discrimination or protection of domestic market. They are developed by technical committees including the Ministry of Ecology and Bio-Resources. Concurrence of the Ministry of Ecology and Bio-Resources is required before they are adopted by GosStandard.

Goods which are hazardous to the environment must meet Kazakhstan's standards. Government Resolution No. 411 provides a list of all product categories (see Annex 5) subject to compulsory certification to ensure safety, health, protection of property of citizens and the environment. Product categories of environmental concerns are included in this list. Certificates of conformity may be granted by any of the domestic and foreign certification bodies listed under IV.3(b). Measures taken with respect to imports are the same as described under section IV.3(b).

**(i) Mixing regulations**

There are no mixing regulations. Kazakhstan does not require local content for goods produced locally. However, see section IV.3(d) above.

**(j) Government-mandated counter-trade and barter**

The Government of Kazakhstan does not mandate counter-trade and barter. Government resolution No. 948 dated 17 July 1995 and Government Resolution No. 1200 dated 29 August 1995 banned counter and barter trade, except within the CIS and under the condition that only the producers may engage in counter-trade and barter provided that they exchange goods they produce for raw material and equipment needed for the production of the goods.

**(k) Trade agreements leading to country-specific quotas allocation**

The only trade agreement leading to country-specific quota allocation is the initialled agreement between Kazakhstan and the European Union on Trade in Textiles (cf. section IV.5(a)).

**(l) Government procurement practices**  
**General legal régime governing procurement practices**

As a temporary measure pending the enactment of a law on government procurement, the Government has recently adopted Government Resolution No. 586 On State Procurement of Goods and Services dated 13 May 1996. Prior to Resolution No. 586, each State entity procured goods and services according to its own internal procurement regulations. Pursuant to Resolution No. 586, any Ministry, Committee or State Organization (State Customers) may procure goods or services on behalf of the State provided those goods or services serve the following purposes:

- (i) to implement State scientific and technical programmes;
- (ii) to implement inter-State programmes;

- (iii) to maintain necessary levels of defense capabilities and security;
- (iv) to ensure the activities of State power bodies, courts, prosecutorial offices, education, health, social provision, culture, sport, science, geology, geodesy, cartography, land-tenure and other spheres of Republican importance;
- (v) to maintain communications systems; and
- (vi) to maintain adequate reserves allowing the State to respond to natural and other disasters.

Goods or services supplied in connection with the aforementioned procurements must conform to State standards, technical terms and other requirements.

The process for the procurement of goods or services not governed by Resolution No. 586 is determined by the procuring State entity according to its internal procurement regulations. These regulations vary from one State entity to another and, in general, stipulate open bidding process.

### **Procedures for tendering and dealing with tenders**

The tendering process for the procurements furthering the aforementioned purposes are undertaken in one of two ways.

Procurement of Goods or Services appearing on the List of General-Purpose Goods. Where the goods or services appear on the List of General-Purpose Goods<sup>7</sup> (the List) approved by the Ministries of Finance and Economy, competitive tenders for the supply of these goods and services are organized by the Bidding Commission of the Ministry of the Economy (the BC). Bids are solicited via public announcements communicated in the mass media and inviting bidders to submit proposals. Bidding is open and deemed valid when three or more bidders submit proposals.

Procurement of Goods or Services not Appearing on the List. Where State Customers procure goods or services not appearing on the List, competitive tenders are organized by the State Customers themselves. The procedures governing tenders organized by State Customers are identical to those governing the procurement of goods or services appearing on the List with one exception: there is no stated priority given to domestic over foreign suppliers.

### **Procedures for awarding contracts**

General criteria for awarding contract are to be elaborated and adopted by the BC for goods on the List. Resolution No. 586, however, requires that for goods or services appearing on the List, domestic suppliers are given a priority over foreign suppliers if, other things being equal, their prices do not exceed the foreign suppliers' prices by more than 20 per cent.

### **(m) Regulation of trade in transit**

Transit of goods in Kazakhstan is allowed by Chapter 6, Articles 33 to 38, of the Customs Code. When goods arrive at the entry point they must be declared to the customs authorities as transit goods and then they may move freely through the customs territory of Kazakhstan without the payment of customs duties and taxes. However, the goods must remain unchanged in condition and not be used for commercial purposes. Goods may be moved in transit under custody of a carrier but if there is

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<sup>7</sup>Goods and services included on the List are procured in great numbers by multiple State Customers. As such, they are included on the List in order to facilitate wholesale purchases and uniformity of procurements.

reason to believe that the goods may not be secure in the custody of a carrier or in the vehicle of a carrier then customs has the right to require that the transport vehicle be properly equipped, or that Customs accompany the goods, or that the goods be moved by a Customs carrier.

If the goods are not delivered to the customs authorities at the destination, the carrier must pay all customs payments and taxes which would be due on the goods if released into free circulation, unless the goods have been exported, destroyed, or lost as a consequence of an accident or force majeure.

Article 35 of the Customs Code provides that the transit of goods shall be carried out under permission of the Customs except for cases where the Government has adopted another decision as a retaliatory measure to discrimination or other actions by foreign governments or unions which encroaches on the interest of Kazakhstan.

#### **4. Policies Affecting Foreign Trade in Agricultural Products**

##### **(a) Imports**

Kazakhstan does not require licences for the import of agricultural products. In addition, there are no quantitative restrictions such as quotas for the import of agricultural products. The trade-weighted average import tariff rate for agricultural products is 24.65 per cent based on 1995 import data.

There are no special border measures related to agricultural products.

Veterinary certificate from the country of origin is required in order to import cattle to Kazakhstan.

##### **(b) Exports**

Kazakhstan does not require export licences for agricultural products, except for ivory, antlers, hoofs, horns and corals and similar materials. Export tariffs apply only for wheat other than Durum wheat (the rate is 7 per cent). There are no export subsidies for agricultural products.

##### **(c) Export prohibitions and restrictions**

There are no export prohibitions or restrictions on agricultural products.

##### **(d) Export credits**

There are no export credits, export credit guarantees or insurance programmes for agricultural products

##### **(e) Internal policies**

The main goal of the agricultural policy of the Government of Kazakhstan is to establish a legal and institutional framework providing market conditions for a stable growth of production of agricultural goods. As of the end of 1995, 1,862 (over 84 per cent of total State agricultural enterprises) State agricultural enterprises and 2,404 State farms (over 90 per cent of all State farms) were privatized. Most companies in the agricultural sectors that had dominant position in the market (more than 35 per cent market share) were demonopolized prior to privatization. Prices have been liberalized. In support of small and medium-size enterprises in the agriculture sector, the government has been providing agricultural subsidies. In 1995, the amount of subsidies was US\$ 878 million (cf. section IV.3(a)).

## **5. Policies Affecting Foreign Trade in other Sectors**

### **(a) Textiles régime**

The only restriction related to foreign trade in textiles is export quotas imposed by the European Union. According to the agreement initialled between the European Union and the Republic of Kazakhstan on Trade of Textile Items dated 15 October 1993, Kazakhstan is not allowed to export to the European Union more than 0.35 per cent of category I goods, 1.2 per cent of category II goods and 4 per cent of category III, IV and V goods of the total imports of such goods into the European Union during the previous year.

The trade-weighted average import tariff rate for textile products is 16.73 per cent based on 1995 data. Consumer goods which have contact with skins may not be sold in Kazakhstan without certificate of conformity (cf. Annex 5)

### **(b) Other sectors**

There are no policies affecting foreign trade in other major sectors.

## **V. TRADE-RELATED INTELLECTUAL PROPERTY RÉGIME**

### **1. General**

#### **(a) Intellectual property policy**

The policy objectives of the Republic of Kazakhstan in the area of intellectual property rights and protection are three-fold: (i) to bring the legal régime governing intellectual property rights and enforcement into conformity with international standards, (ii) to ensure that the legal régime governing intellectual property rights is enforced in practice and (iii) to train a cadre of highly qualified experts in each specific area of intellectual property protection.

#### **(b) Responsible agencies for policy formulation and implementation**

##### **(i) State Patent Office**

The National Patent Office (the NPO) was established by Presidential Decree on 23 June 1992. The NPO is a State agency staffed and funded out of the Republic budget. The primary functions of the NPO are to examine patent and trademark applications, to issue patents and to register trademarks, service marks and appellations of origin. In connection with these applications, the NPO also maintains a library of search files on Kazak and international patents, patent applications and trademarks and publishes a gazette identifying all patents and trademarks issued by the NPO. The NPO hears and decides appeals filed by prospective inventors and trademark applicants whose applications have been denied by NPO examiners. Once applications are granted, the NPO records and indexes documents transferring ownership and participates in court proceedings involving patent and trademark applications. The NPO, moreover, examines and issues licences to all patent and trademark practitioners. Finally, the NPO is responsible for developing draft laws and sub-law acts concerning patent and trademark-related issues and represents the Republic of Kazakhstan in international efforts to cooperate on patent and trademark policy.

##### **(ii) State Agency for Copyright and Related Rights**

The State Agency for Copyright and Related Rights in the Republic of Kazakhstan (the KAZGAASP), was established by a special decree of the Government on 8 June 1992. The principal functions of KAZGAASP are (i) to ensure observance of the rights and interests of authors, artists, actors, producers of sound recordings and radio and television broadcasts (authors) (ii) to promote



the works of Kazak authors abroad and (iii) to collect and distribute honorariums on behalf of authors. KAZGAASP is also responsible for developing draft laws and sub-law acts concerning copyright and copyright-related issues and represents the Republic of Kazakhstan in international efforts to cooperate on copyright policy.

**(c) Membership in international intellectual property conventions and regional or bilateral agreements**

**(i) International intellectual property conventions**

On 5 February 1993, the Government of the Republic of Kazakhstan adopted the Declaration on International Treaties in the Area of Industrial Property Protection wherein it expressly acknowledged that, as a successor State of the former U.S.S.R., it will continue to assent to the following multilateral intellectual property conventions:

- Paris Convention for the Protection of Industrial Property;
- Madrid Convention for International Trademark Registration; and
- Patent Cooperation Treaty (PCT).

On 16 February 1993, the Government of the Republic of Kazakhstan formally deposited its declaration of continued accession to the aforementioned conventions with appropriate international bodies.

**(ii) Anticipated membership in international intellectual property conventions**

With the recent adoption of the Law on Copyrights and Related Rights on 10 June 1996, the Republic of Kazakhstan is now prepared to complete the process of accession to the Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention).

**(iii) Membership in regional intellectual property conventions**

By Presidential Decree, the Republic of Kazakhstan acceded to the Eurasian Patent Convention on 18 July 1995. The Eurasian Patent Convention, which currently includes nine member countries (all from the CIS), allows patents registered in one member country to be automatically recognized in all other member countries.

**(iv) Bilateral agreements on intellectual property protection**

Currently, the bilateral agreements which contain cooperative relations in the sphere of intellectual property are the Kazak-American Agreement on Trade and Cooperation ratified by the Republic of Kazakhstan on 23 December 1992; Kazak-Russian intergovernmental Agreement in the field of Industrial Property Protection, signed on 28 March 1994 and a similar Kazak-Kyrgyz Agreement is in the process of negotiation in different appropriate ministries.

**(d) Application of national and MFN treatment to foreign nationals**

In general, the Constitution, Civil Code and Law on Foreign Investments, provide foreign physical and juridical persons both national and most favoured nation treatment. With reference to intellectual property rights in particular, Article 37 of the Patent Law and Article 3 of the Law on Trade Marks, Service Marks and Appellations of Origin; and Article 5 of the Law on Copyrights and Related Rights all assure that foreign physical and juridical persons are to be accorded national treatment. As such, the Republic of Kazakhstan's intellectual property régime conforms to Articles 3 and 4 of the WTO TRIPS Agreement.

**(e) Fees and taxes**

See Part I and Part II in Annex 10 for fees charged to non-nationals and nationals respectively.

**2. Substantive Standards of Protection, Including Procedures for the Acquisition and Maintenance of Intellectual Property Rights**

**(a) Copyright and related rights, including rights of performers, producers of phonograms and broadcasting organizations**

The definition of protectable subject matter, including rental rights in respect of cinematographic and computer programs, is provided for in Articles 6-8 of the new Law on Copyrights and Related Rights and is sufficiently broad to encompass all forms of copyright prescribed by Articles 9-12 of the TRIPS Agreement and Articles 2 and 2bis of the Berne Convention.

**(i) Rights of authors**

In accordance with relevant provisions in the Berne Convention and the TRIPS Agreement, the new Law on Copyrights and Related Rights provides authors and their successors in title with, *inter alia*, the exclusive right to authorize the: reproduction; broadcast; public recitation; cinematographic or other adaptation, arrangement or alteration; and public performance, of their works. In accordance with Articles 12 and 14 of the TRIPS Agreement and Article 7 of the Berne Convention, the term of protection of a work (whether cinematographic, photographic or other) shall be for the life of the author plus fifty (50) years after the author's death.

**(ii) Rights of performers**

In accordance with Article 14(1) of the TRIPS Agreement, Article 37 of the new Law on Copyrights and Related Rights provides performers with, *inter alia*, the right to prevent the fixation of their unfixed performance and the reproduction thereof and the broadcast or other communication of their live performance.

**(iii) Rights of producers of phonograms**

In accordance with Article 14(2) of the TRIPS Agreement, Articles 34-38 of the new Law on Copyrights and Related Rights provides to producers of phonograms the rights to, *inter alia*, prohibit unauthorized reproduction, re-make, distribution or importation of phonograms.

**(iv) Rights of broadcasting organizations**

In accordance with Article 14(3) of the TRIPS Agreement, Articles 34-37 and 39-41, Broadcasting organizations have, *inter alia*, the right to prohibit the following unauthorized acts: the fixation, reproduction of fixations and the rebroadcast by wireless means of broadcasts, as well as communication to the public of television broadcasts of the same.

**(v) Terms of protection for performers, producers of phonograms and broadcasting organizations**

In accordance with Article 14(5) of the TRIPS Agreement, Article 42 of the new Law on Copyrights and Related Rights provides performers, producers of phonograms and broadcasting organizations with an unqualified term of protection of fifty (50) years after the date of first performance (or staging), first publication of a phonogram, or first broadcast respectively.

**(b) Trademarks, including service marks**

The Law on Trade Marks, Service Marks and Appellations of Origin was adopted on 18 January 1993 and entered into force on 23 February 1993. In accordance with Article 15 of the TRIPS Agreement, the Republic of Kazakhstan recognizes, as protectable subject matter, trade marks or service marks which are oral, figurative, in three dimensional form, or in any other designation capable of distinguishing the goods and services of one business from the same or similar ones of another. In accordance with Article 15(4) of the TRIPS Agreement, the nature of the goods or services to which the trade mark or service mark is applied is not an obstacle to its registration. Trade marks and service marks are afforded protection for a period of ten years from the date of filing and for each renewal thereafter and, as such, this period of protection conforms to Article 18 of the TRIPS Agreement. While the Republic of Kazakhstan does require the owner of a trade mark certificate to use it on goods or services, there is no prerequisite of prior use for registration. Interested parties, moreover, may only file a petition for cancellation for non-use if such non-use can be established for a period of five consecutive years prior to the filing of the petition. Hence, the legal régime for trade mark and service marks also conforms to Articles (15)(3) and 19 of the TRIPS Agreement.

**(c) Geographical indications, including appellations of origin**

In accordance with Article 22 of the TRIPS Agreement, geographical indications identifying a product as originating within the territory of the Republic of Kazakhstan and having a quality or characteristic attributable to a particular location therein, may be registered with the NPO. Registrations for geographical indications or appellations of origin are accomplished according to the same procedures as those set forth for trade and service marks. As with trade and service marks, certifications are afforded for periods of ten years from the date of filing and for each renewal thereafter. Appellations of origin, moreover, may be cancelled for non-use where interested parties file an application for cancellation with the NPO and can demonstrate continuous non-use for a period of five years to the satisfaction of the NPO.

**(d) Industrial designs**

Rights to industrial designs are regulated by the Patent Law adopted on 24 June 1992 which grants patents for industrial designs which are novel, original and capable of industrial application. As such, the Patent Law governing the patentability of industrial designs conforms to Article 25(1) of the TRIPS Agreement. In accordance with Article 26(3) of the TRIPS Agreement, preliminary patents for industrial designs are granted for a period of five years and full patents for a period of ten years from the date of the application and these patents may be extended for an additional five years. Patent holders for industrial designs shall have exclusive rights of use and unauthorized production, importation, sale or placement of goods bearing or embodying the protected design into commercial circulation, shall constitute an infringement as set forth in Article 26(1) of the TRIPS Agreement. Finally, any interested party may apply to the courts of the Republic for a compulsory licence in the event of non-use provided the petitioner can establish non-use for a period of five years from the date the patent for industrial design was initially granted and published. Should the court grant such a compulsory licence, the terms and royalty fees will be set by the judge in an amount not lower than the market rate for such a licence.

**(e) Patents**

Patent protection is available for inventions, industrial designs (see paragraph (d) above) and utility models (see paragraph (i) below). Patents for inventions are available in respect of, *inter alia*, processes and products which are novel and have industrial application and, as such, the Patent Law is in conformity with Article 27 (1) of the TRIPS Agreement. In accordance with Article 27(2) and

(3) of the TRIPS Agreement, the Patent Law provides that the following inventions are not patentable: scientific theories, mathematical solutions, methods of economic organization, computer programs, plant varieties and animal breeds, layout designs of integrated circuits and any invention which is considered to be contrary to public order, health or morality.

Formal examination of a patent application is performed by the NPO within two months after the date of filing. If accepted, a preliminary patent is granted not earlier than four months after the date of the initial filing and the NPO will publish information concerning the patent in its Official Gazette. The published documents may be inspected by any person for a period of eight months after their publication. Within a period of no more than four years, the holder of the preliminary patent must apply to the NPO for a detailed examination of the patent on the merits. If the claims are satisfied, a patent is issued for a period of twenty years in conformity with Article 33 of the TRIPS Agreement. Applicants, in conformity with Article 32 of the TRIPS Agreement, have the right to appeal any interim decision of the NPO to the NPO Board of Appeals for administrative review. Subsequently, applicants may apply to the courts for judicial review of the decision of the NPO Board of Appeals.

Patent holders are granted exclusive rights in conformity with Article 28 of the TRIPS Agreement. Unauthorized production, importation, sale and placement of any products which are the result of an infringement into commercial circulation constitute an infringement. Any interested party may apply to the courts of the Republic for a compulsory licence in the event of non-use provided the petitioner can establish non-use for a period of five years from the date the patent was initially granted and published. Should the court grant such a compulsory licence, the terms and royalty fees will be set by the judge in an amount not lower than the market rate for such a licence.

**(f) Plant variety protection**

As noted in section III(4) of this Memorandum, the Government has included on its drafting agenda for 1997-98 a Law on Selection Achievements.

**(g) Layout designs of integrated circuits**

A legal framework governing layout designs for integrated circuits is not yet defined in the Republic of Kazakhstan. Patent protection for layout designs is unavailable.

**(h) Requirements on undisclosed information, including trade secrets and test data**

While there is no specific law protecting trade secrets, per se, information which has not been disclosed to third parties, has commercial value and for which reasonable steps to protect secrecy have been taken by persons lawfully in control thereof, is protected by the Civil Code of the Republic of Kazakhstan. As such, the relevant provisions of the Civil Code constitute the substance of a trade secret law which conforms to Article 39(2) of the TRIPS Agreement. Undisclosed data or other information, moreover, which is required by the Republic of Kazakhstan in the process of approving the marketing or sale of chemical, pharmaceutical, or agricultural products is also protected and, as such, complies with Article 39(3) of the TRIPS Agreement.

**(i) Other categories of intellectual property**

Utility models are afforded patent protection if they are novel and have industrial application. Patents for utility models are granted for initial periods of five years and may be extended for an additional period of three years. Exclusive rights to patents for utility models and the circumstances of infringement are similar to those as set forth above for patents. Finally, any interested party may apply to the courts of the Republic for a compulsory licence in the event of non-use provided the

petitioner can establish non-use for a period of five years from the date the patent for the utility model was initially granted and published. Should the court grant such a compulsory licence, the terms and royalty fees will be set by the judge in an amount not lower than the market rate for such a licence.

### **3. Measures to Control Abuse of Intellectual Property Rights**

While there are no specific provisions to control the abuse of intellectual property rights by right-holders, abuses of intellectual property rights which result in constraints on competition and unfair competition will most likely violate existing provisions in the Civil Code, the Law on the Promotion of Competition and Limitation of Monopolistic Activity and the Criminal Code.

### **4. Enforcement**

#### **(a) Civil judicial procedures and remedies**

Current provisions in the Patent Law; the Law on Trade Mark, Service Mark and Appellations of Origin; the Civil Code; and the Code of Civil Procedure provide the holder of intellectual property rights with the ability to bring the following actions in a State Court against an infringer:

- to stop an infringer from unlawfully using a holder's rights to intellectual property;
- to force an infringer to pay damages (including all court costs, attorney's fees and loss of profit to the holder); and
- to pay the holder additional compensation for moral damages.

An application to a court for any of the aforementioned remedies will not preclude a right holder from concurrently applying to the appropriate State agency for administrative action against an infringer.

#### **(b) Provisional measures**

Currently, judges have no special authorities to order provisional measures of the type contemplated by Article 50 of the TRIPS Agreement.

#### **(c) Administrative procedures and remedies**

The Administrative Code and the Law On the Promotion of Competition and Limitation of Monopolistic Activity provide for administrative liability for, *inter alia*, (i) actions which restrict competition, (ii) actions which constitute unfair competition and (iii) actions which manifest an abuse of a dominant position.

#### **(d) Special border measures**

Currently, there are no special border measures in place to prevent the importation of counterfeit trademark or pirated copyright goods. With the adoption of the new Law on Copyrights and Related Rights, however, appropriate adjustments will be made to the Customs Code, Criminal Code, the Code of Criminal Procedure and Administrative Code. These adjustments will include, *inter alia*, the adoption of the aforementioned special border measures.

#### **(e) Criminal procedures**

In general, under the current laws of the Republic of Kazakhstan, only physical and not juridical persons may be held criminally liable. With reference to intellectual property rights, violators of either the rights of authors and inventors or the Law on the Promotion of Competition and Limitation of

Monopolistic activity will be held criminally liable.<sup>8</sup> With the anticipated adoption of the draft Law on Authorship and Artistic Performance, moreover, appropriate adjustments will be made to the Criminal Law and Code of Criminal Procedure to render a crime, *inter alia*, the manufacture, importation or sale of counterfeit trademark or pirated goods.

## **5. Laws, Decrees, Regulations and Other Legal Acts Relating to the Above**

### **(a) Laws governing intellectual property**

#### **(i) Parliamentary Acts**

- Civil Code adopted 27 December 1994;
- Law on Protection of Consumer Rights, adopted 5 June 1991;
- Law on Development of Competition and Restriction of Monopolistic Activities, adopted 11 June 1991;
- Patent Law adopted on 24 June 1992;
- Law on Trade Marks, Service marks and Appellations of Origin, adopted 18 January 1993; and
- Law on Copyrights and Related Rights, adopted 10 June 1996.

#### **(ii) Decrees of the President**

- On the National Patent Office Under the Cabinet of Ministers of the Republic of Kazakhstan, adopted 23 June 1992.

#### **(iii) Resolutions of the Cabinet of Ministers**

- On the Establishment of a State Agency on Copyrights and Related Rights, adopted 8 June 1992;
- On the National Patent Office under the Cabinet of Ministers of the Republic of Kazakhstan, adopted 21 July 1992
- On the Approval of the Regulation on the National Patent Office Under the Cabinet of Ministers of the Republic of Kazakhstan, adopted 16 October 1992;
- On the Approval of Procedures for the Payment of and Rates of Duties for, Patenting Inventions, Industrial Patterns and Utility Models; for Registration of Trade Marks and Service Marks, for Registration and the Rights of Use of Appellations of Origin, adopted 20 October 1992;
- On the Approval of the Procedure for Issuing Documents for Inventions, Industrial Designs, Trade Marks and Service Marks Protected by Safe-Conduct Documents of the USSR, adopted 11 November 1992;
- On the Rates and Procedure for the Payment of Duties Applicable to Foreign Applicants for Juridical Significant Acts Related to the Protection of the Industrial Property Objects in the Territory of the Republic of Kazakhstan, adopted 6 April 1993; and
- On the Approval of Regulations On Service Inventions, Utility Models and Industrial Patterns Created in the Republic of Kazakhstan, adopted 11 August 1994.

## **6. Statistical Data on Applications for Grants of Intellectual Property Rights, as well as any Statistical Data on Their Enforcement**

See Part III in Annex 10 for statistical data on applications. No statistical data available concerning the enforcement of intellectual property rights.

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<sup>8</sup> See section V(3) above.

## VI. TRADE-RELATED SERVICES RÉGIME

### 1. General

Annex 7 provides description of major sectors including financial, transport and telecommunications. Table 6.1 provides a breakdown of major services as percentage of GDP and workforce. Although the number of employed citizens has been decreasing in the service sector, GDP share of service sector has been growing. The workforce presently employed in the service sector is at least 40 per cent of the total employed workforce. The service sector output constitutes 50.7 per cent of GDP in 1995 (41.8 per cent in 1994).

The private sector dominates the service industry with most services in private hands. Foreign entities have a significant share in the most prominent services and the number of foreign entities is steadily growing. Kazakhstan does not have complete statistics related to trade in services. In addition, Statistics regarding the value and composition of foreign trade in the service sector is not collected.

Table 6.1 - Breakdown of major Services as percentage of GDP and total workforce (WF)

Type of Services	% GDP			% of Employed Work Force		
	1993	1994	1995	1993	1994	1995
Construction Services	9.00	9.05	7.0	7.10	6.26	5.56
Financial	*	1.58	1.88	0.75	0.77	0.78
Trade-Related Services	4.00	15.67	18.40	4.24	4.38	3.83
Transport and Communications	6.00	7.89	9.46	8.31	8.01	7.61

\* Data not available

Open competition exists in every service sector of the economy and many natural monopoly sectors have been deregulated.

### 2. Policies Affecting Trade in Services

#### (a) Government departments, agencies, professional associations or other bodies with authority or a role relevant to the conduct of service activities

The State role in the service sector mainly involves the issuance of licences and supervision in order to ensure competition, non-discriminatory practices and proper compliance with legislation and, in certain sectors such as banking, to ensure viability of banks and soundness of the financial system.

The Presidential Edict On Licensing, dated 17 April 1995, governs licensing activities in Kazakhstan. Article 3.1 stipulates that issuing of licence shall be carried out on equal bases and equal terms for any persons who meet the requirements established for that type of licence. It shall be prohibited to grant advantages in issuing licences to State-owned enterprises, except for those types of activities which are referred to as State monopoly in legislative acts. Article 3.3 of that Edict prohibits granting advantages through issuance of licences to certain groups of entrepreneurs regardless of their form of ownership, departmental interests or locations. In addition, it prohibits the restriction of competition. Article 8 stipulates that foreign legal entities or physical persons shall be granted licences under the same conditions and procedures as legal entities and physical persons of the Republic of Kazakhstan, unless it is otherwise stipulated by other legislative acts. Article 20 states that if a licence is not issued within the established deadline (i.e., one month), or if the response seems to be unfounded,

the applicant shall have the right to challenge the licensing agency in a juridical procedure within one month. If the court reveals unreasonable refusal for issuing licence, the licensing body must issue licence within 10 days of court decision.

Ministries, which are authorized to issue licences under the Presidential Edict, are currently in the process of formulating new licensing procedures and qualification requirements.

Peculiarities of licensing of activities on usage of natural resources and environmental protection are to be elaborated in specific legislation according to amendments of 23 December 1995 to Presidential Edict On Licensing.

Government Resolution No. 1894 On Implementation of Resolution of the President of Kazakhstan on 17 April 1995 No. 2201, dated 29 December 1995 specifies the State bodies responsible for issuing various licences. No more than one State body is allowed to issue a particular licence. However, for certain type of services there is a need for expert evaluation by the sanitary, ecological and/or mining supervision bodies. There are 27 State bodies responsible for issuing licences affecting business activities. Table A7.5 lists these State bodies and their roles.

In general, State bodies responsible for issuing licences for a particular activity are also responsible for supervising that activity. The other State and independent bodies which have supervisory and regulatory roles relevant to the conduct of service activities are described in Table 6.3 below.

Table 6.3 - State Bodies, Agencies and Professional Associations with Role Relevant to the Conduct of Service Activities

Government Bodies, Agencies and Professional Associations	Role relevant to Conduct of Service Activities
Anti-Monopoly Committee	approval of tariff rates for natural monopolies (e.g, telecommunications, oil and gas pipelines, power transmission and distribution); restriction of anti-competitive activities
Chamber of Auditors	control over activities of auditors
State Committee on Land	control proper use of land and issue permit for use of land
State Energy Supervision Commission	inspection of proper installation, operation and safety of power equipment
Ministry of Internal Affairs	approval of business seals and stamps
State Statistics Committee	collection and provision of statistics
Tax Police and Tax Inspection Departments under the Ministry of Finance	collection of taxes and tax inspection

**(b) Judicial, arbitral or administrative tribunals or procedures providing for the review of, or remedies in relation to, administrative decisions affecting trade in services**

Such procedures are the same as those for trade in goods (cf. section III.6)



**(c) Provisions, including those in international agreements, concerning qualification requirements and procedure, technical standards and licensing and/or registration requirements for the supply of services**

Annex 7 lists qualification requirements and procedures and refers to the relevant legislation. In general, the criteria include competence and ability to deliver the service. Most professional services require a university degree. The most strict requirements are those related to financial, professional services, health and aviation services.

There is no registration requirement for the supply of services other than normal registration as a legal entity at the Ministry of Justice. For certain services, licences are required (cf. Annex 7). Businesses in certain trade and design activities must meet standards (cf. Annex 5).

**(d) Provisions governing the existence and operation of monopolies or exclusive service suppliers**

The policy of the Government of Kazakhstan is to promote open competition in all service sectors. The Government does not grant any entity, regardless of ownership, exclusive or monopolistic right to provide services. Competition is ensured through the enforcement of the Law on Development of Competition and Restriction of Monopolistic Activities. Under the law, the Anti-Monopoly Committee has the authority to demonopolize companies that raise monopoly concerns and to prevent mergers that may lead to the formation of monopolies. Most State monopolies in the service sector were demonopolized prior to their privatization.

Natural monopolies are also regulated by the Anti-Monopoly Committee. Natural monopolies (e.g., pipelines, power transmission networks, railroads and telephone network) act as transport carriers with equal open access to all suppliers and operators regardless of form and type of ownership. Tariff rates are established by the Anti-Monopoly Committee.

**(e) Provisions relating to safeguard measures as they apply to trade in services**

Kazakhstan does not have any safeguard measures for trade in services.

**(f)(g) Provisions relating to international transfers and payments for current and capital transactions of services**

Policies and laws discussed under section II.2(c) applies for international transfers and payments for current and capital transactions of services.

**(h) Provisions governing the procurement by governmental agencies of services**

Provisions for government procurement of services are the same as those governing procurement of goods (cf. section IV.3(l))

**(i) Provisions concerning any form of aid, grant, domestic subsidy, tax incentive or promotion scheme affecting trade in services**

The Government provided loan guarantees in 1995 for the following service sectors:

- trade services (US\$ 39 million)
- transport services (US\$ 67 million)

In addition, the Government provided direct subsidies (US\$ 197,000) to promote the production of alternative sources of energy such as solar and wind energy. The Government also provided favourable credits through ExIm Bank to railroad companies amounting to US\$ 3 million and to communications enterprises (US\$ 1 M).

### **3. Market Access and National Treatment**

#### **(a) Limitations on the number of service suppliers**

There are no limitations on the number of service suppliers in Kazakhstan.

#### **(b) Limitations on the total value of service transactions or assets**

There are no limitations on the total value of service transactions or assets, except in the insurance sector. The law On Insurance dated 2 October 1995 does not allow more than 95 per cent of risk to be re-insured outside of Kazakhstan.

#### **(c) Limitations on the total number of service operations or on the total quantity of service output**

There are no limitations on the total number of service operations or on the total quantity of service output.

#### **(d) Limitations on the total number of natural persons that may be employed in a particular service sector**

There are no limitations on the number of natural persons that may be employed in a particular sector.

#### **(e) Restrictions on, or requirements of specific types of legal entity through which a service may be supplied**

According to Article 34 of the Civil Code, 27 December 1994, services may be supplied through each of three existing types of legal entity: State company, partnership and production cooperative. According to Article 58 of the Civil Code and the Law On Legal Entities, dated 17 April 1995, there are five forms in which partnership may be established: Full Liability Partnership, Commandite Partnership, LLP (Limited Liability Partnership), Partnership with Additional Liability and JSC (Joint Stock Company).

Requirements for specific types of legal entity, through which a service may be supplied, are limited to three types of services:

- Banks should be JSCs (President Decree having the Force of Law on Banks and Banking Activities in the Republic of Kazakhstan; 31 August 1995).
- Stock Exchanges should be JSC (President Decree having the Force of Law on Securities and Stock Exchange; 21 April 1995)
- Insurance companies could be either LLP or JSC (President Decree having the Force of Law on Insurance; 3 October 1995).

**(f) Limitations on the participation of foreign capital**

There are no limitations on the participation of foreign capital in the service sectors except in the following two cases:

**Banking Sector.** The Edict of the President of Kazakhstan having the force of the law On Banks and Banking Activities in Kazakhstan states that the total registered charter fund of all banks with foreign participation should not exceed 25 per cent of the overall registered charter fund of all banks in Kazakhstan. However, the National Bank may still grant exceptions on a case-by-case basis to foreign banks to enter the market regardless of this limitation.

**Insurance Sector.** The maximum foreign participation in insurance joint ventures is 50 per cent stipulated by the Law on Insurance.

**(g) Measures providing for less than the treatment accorded to national services or service suppliers**

Kazakhstan makes no distinction between domestic and foreign services and service suppliers except in government procurement (cf. section IV.3(l)) and services in connection with oil and subsurface use provided that Kazakstani services are competitive in terms of price, efficiency and quality. However, foreign natural persons must register within 3 days after establishing residency in the oblast where they will be working. Such registration is for statistical and immigration-related reasons. In addition, foreign natural persons must obtain internal visas for visiting certain oblasts.

**4. Most-Favoured-Nation Treatment**

The Government of Kazakhstan makes no distinction among the services and service suppliers from various countries and provides to all a régime which is not less favourable than that applied to the services and service suppliers of any foreign country already operating at the service market of Kazakhstan.

**VII. INSTITUTIONAL BASIS FOR TRADE AND ECONOMIC RELATIONS WITH THIRD COUNTRIES**

**1. Bilateral or Plurilateral Agreements Relating to Foreign Trade in Goods and Trade in Services (cf. Annex 8 - section A)**

The Republic of Kazakhstan has concluded more than 45 bilateral and plurilateral agreements relating to foreign trade in goods and trade in services with more than 40 countries. Most of these agreements are signed with countries who were contracting parties to GATT and are members of the WTO. GATT principles were observed, with exceptions permitted under Articles XVIII, XIX, XX, XXI and XXIV of GATT.

All trade agreements with foreign countries, except those with CIS countries, are reciprocal, based on Most-Favoured-Nation (MFN) treatment and stipulate the usual exceptions from the MFN régime.

Some of these agreements have provisions that restrict unauthorized re-export. Re-export of reciprocally supplied goods, in respect of which the contracting parties apply tariffs and non-tariff measures, is possible only upon written permission of authorized bodies of the country of origin of the goods.

A small number of these agreements have provisions stipulating free trade in services but do not, however, provide preferential treatment.

## **2. Economic Integration: Customs Union and Free Trade Area Agreements** (cf. Annex 8 - section B)

The Republic of Kazakhstan has signed bilateral free trade agreements with Kyrgyzstan, Lithuania, Moldova, the Russian Federation, Ukraine and Tadjikistan. In addition, a multilateral free trade agreement was signed among Kazakhstan, Kyrgyzstan and Uzbekistan establishing a unified economic area. A multilateral agreement on the creation of a free trade area among all CIS countries has also been signed. Of all these agreements, only the agreements with Moldova and Kyrgyzstan have been ratified by both parties and are presently in force. The other agreements have so far been ratified only by Kazakhstan.

These agreements stipulate free trade based on exemptions from duties for all kinds of goods and services with certain exceptions. The list of exceptions, not covered under free trade, are agreed to in protocols to these agreements. MFN principles apply to those goods that are not covered by the free trade régime. The list of exceptions from free trade, agreed upon with Kyrgyzstan and Moldova, are the following:

- goods requiring export contracts registration;
- goods requiring permission from the Government of Kazakhstan for export and import (e.g. goods of strategic importance);
- goods requiring import licences; and
- goods that are subject to export tariffs, licences and quotas in accordance with the legislation of Kazakhstan, Kyrgyzstan and Moldova.

Currently, the laws of Kazakhstan, Kyrgyzstan and Moldova do not impose quotas. According to the legislation of Kazakhstan, import/export licensing and permission are required for a small number of products. In addition, export tariffs apply for a small number of products. The lists of products, in the HS nomenclature, requiring export contracts registration, permission from the government for export and export licensing are provided in Annex 9. The list of products requiring import licences and government permission for import are provided in Annex 3.

On 20 January 1995, Kazakhstan joined the customs union formed between the Russian Federation and Belarus. Apart from creating a common customs tariff, the members of the customs union plan to harmonize their legislation affecting foreign trade. The Government of Kazakhstan is determined to implement the agreement in such a way, as to ensure that it will be fully compatible with Kazakhstan's obligations as a member of the WTO.

On 20 July 1995, the Republic of Kazakhstan joined the system of preferences and issued resolution No 1009 On confirmation of a list of countries-users of the scheme of preferences of the Republic of Kazakhstan. In accordance with this resolution, half of the base rate of import tariffs is applied for goods produced in developing countries. Goods produced in least developed countries are imported to Kazakhstan duty free. The lists of developing and least developed countries and the list of goods excluded from preferential treatment are provided in section E of Annex 8.

## **3. Labour Markets Integration Agreements** (cf. Annex 8 - section C)

Kazakhstan has labour market integration agreements with Iran, Kyrgyzstan, Mongolia, the Russian Federation, Turkey and Uzbekistan.

**4. Multilateral Economic Cooperation, Membership in the Multilateral Economic Organizations, Trade-Related Programmes of Other Multilateral Organizations**  
(cf. Annex 8 - section D)

Kazakhstan is a signatory of 72 bilateral economic agreements (Annex 8-section D.1), 7 multilateral economic agreements (Annex 8-section D.2) and 14 international conventions (Annex 8-section D.3). In addition, Kazakhstan is a member of 33 multilateral economic organizations (Annex 8-section D.4) and is in the process of joining 3 additional organizations including the WTO (Annex 8-section D.5).

## ANNEX 1

## STATISTICS AND PUBLICATIONS

**1. Foreign Trade Statistics for Goods and Services: Responsible Agencies**

The two key government agencies responsible for foreign trade statistics for goods and services are the State Statistics Committee and the Customs Committee. Customs statistics was initiated in 1993.

**2. Publications Related to Statistics**

Publications related to statistics are published by the State Statistics Committee and include the following:

- On social-economic situation of Kazakhstan (monthly)
- Brief statistical year-book
- Statistical year-book
- Regional statistical year-book
- Statistical bulletin in English (quarterly)
- Statistical press-bulletin On social-economic situation of the Republic of Kazakhstan (quarterly)
- Finances of the Republic of Kazakhstan (annual)
- Agriculture of the Republic of Kazakhstan (annual)
- Protection of environment and rational utilization of natural resources of the Republic of Kazakhstan (annual)
- Youth of the Republic of Kazakhstan (annual)
- Demography year-book (annual)
- Foreign trade of the Republic of Kazakhstan (annual)

**3. Statistical Data****(a) Main economic indicators****(i) Gross Domestic Product - GDP**

The GDP for 1995 was equal to 992.5 Billion Tenge (US\$ 16.289 Billion).

Table A1.1 - GDP (in percent of 1992 year) during period 1993-1995

<b>1992</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
100	87.1	65.0	59.2

Table A1.2 - Estimated Public and Private Sectors Share of GDP (in percentage)

	<b>1993</b>	<b>1994</b>	<b>1995</b>
State Sector	74	58	30
Non-State Sector	26	42	70

Table A1.3 - Breakdown by Sector of GDP (percentage)

Sector	1993	1994	1995
Industry:	31.00	25.92	21.82
Energy Sector	4.87	5.68	4.87
Chemical & Petrochemical Industry	1.24	0.96	0.79
NonFerrous Metallurgy	4.15	3.11	2.64
Ferrous Metallurgy	3.26	3.08	3.01
Electric Power	4.46	4.90	3.58
Machine Building & Metal Processing	3.07	1.89	1.27
Food Industry	3.53	2.57	2.36
Light Industry	1.80	0.98	0.57
Construction Materials	1.61	1.06	0.63
Wood Processing, Pulp, & paper	0.74	0.26	0.15
Other industries	2.26	1.43	1.96
Agriculture	13.00	14.00	11.39
Construction Services	9.00	9.05	7.00
Transport & Communications	6.00	7.89	9.46
Trade	4.00	15.67	18.40
Other and Taxes	37.00	27.47	31.93

## (ii) Gross domestic product per capita

Table A1.4 - GDP per Capita (in prices of 1995)

	1992	1993	1994	1995
GDP per Capita (Tenge)	98,764	86,079	64,824	59,745
GDP per Capita (US\$)	1,621	1,413	1,064	981

## (iii) Budget

Table A1.5 - Budget (Millions Tenge)

Budget Items	1993	1994	1995
Total Revenue	7,102.7	84,238.9	197,202.1
A. Current revenue	6,318.7	82,771.9	189,969.1
A.1 Tax revenue	3,344.5	36,936.0	108,414.7
Value added tax	1,158.6	10,798.0	33,259.0
Excise tax	159.7	2,181.1	6,307.5
Corporate tax	1,248.50	14,550.0	35,269.7

<b>Budget Items</b>	<b>1993</b>	<b>1994</b>	<b>1995</b>
Personal tax	743.1	8,256.8	25,801.6
Local tax	13.3	550.7	3,421.0
Capital gains tax	1.9	105.7	400.5
Land tax	18.3	225.1	2,059.4
Other taxes	1.1	268.6	1,896.0
A.2 Revenue from foreign economic activities	138.5	6,075.0	22,588.3
Customs levies	22.0	376.2	600.0
Import Customs duties	32.3	421.9	3,022.8
Export Customs duties	77.1	5,264.20	9,145.0
Barter operations	4.3	12	295.6
Other revenue from foreign economic activity	2.8	0.70	9,524.9
A.3 Other Current Revenue	2,835.70	39,760.90	58,966.1
Rent payment	43.9	201.0	1,032.5
Revenue from bonuses and royalties		3.0	3,802.0
Profit of NBK	342.8	8,303.2	800.0
Revenue from NBK	0	8,414.0	2,826.0
Purpose-oriented funds revenue	984.2	12,821.0	21,106.5
Fees and other non-tax revenues	842.2	7,668.2	17,845.0
Other current revenue	622.6	2,350.5	11,554.1
B. Capital Revenue	784	1,467.0	7,233.0
revenue from privatization	784	1,467.0	7,233.0
Total expenditure	7,488.0	94,809.0	223,442.9
A. National Economy	1,880.9	11,328.0	37,956.8
B. SocioCultural and Scientific projects	2,460.1	28,594.0	92,405.7
Education and Science	1,309.5	14,417.0	47,696.7
Social Security	268.1	3,193.9	7,837.0
Health, Tourism, and Sport	687.4	9,282.0	29,954.4
C. Foreign Economic Activity	5.0	3,344.7	5,558.0
D. Funds	81.9	3,782.0	7,900.5
E. Defence	330.7	3,775.9	10,830.0
F. Public Order and Safety	413.2	5,387.1	15,800.4
G. State Authorities and Administration	388.0	4,240.0	9,981.9
H. Repayment of Internal Government Debt	97.6	17,518.0	7,801.6
I. Repayment of External Debt		1917.9	10,023.5
J. Subsidies		582.7	1,193.4
L. Other expenditures		14,338.3	16,347.5
Debt repayment to budget		2,408.6	3,173.4
Overall balance	-385.3	-8,161.5	-23,067.4



Budget Items	1993	1994	1995
Budget Financing	385.3	8,161.5	23,067.4
A. Domestic	867.8	5,900.0	4,484.9
B. External	177.3	6,378.0	18,582.5

Table A1.6 - Budget (in percent of GDP)

Budget Items	1993	1994	1995
Total Revenue	26.5%	18.7%	19.9%
A. Current revenue	23.5%	18.4%	19.1%
A.1 Tax revenue	12.5%	8.2%	10.9%
Value added tax	4.3%	2.4%	3.4%
Excise tax	0.6%	0.5%	0.6%
Corporate tax	4.7%	3.2%	3.6%
Personal tax	2.8%	1.8%	2.6%
Local tax	0.0%	0.1%	0.3%
Capital gains tax	0.0%	0.0%	0.0%
Land tax	0.1%	0.1%	0.2%
Other taxes	0.0%	0.1%	0.2%
A.2 Revenue from foreign economic activities	0.5%	1.4%	2.3%
Customs levies	0.1%	0.1%	0.1%
Import Customs duties	0.1%	0.1%	0.3%
Export Customs duties	0.3%	1.2%	0.9%
Barter operations	0.0%	0.0%	0.0%
Other revenue from foreign economic activity	0.0%	0.0%	1.0%
A.3 Other Current Revenue	10.6%	8.8%	5.9%
Rent payment	0.2%	0.0%	0.1%
Revenue from bonuses and royalties	0.0%	0.0%	0.4%
Profit of NBK	1.3%	1.8%	0.1%
Revenue from NBK	0.0%	1.9%	0.3%
Purpose-oriented funds revenue	3.7%	2.8%	2.1%
Fees and other non-tax revenues	3.1%	1.7%	1.8%
Other current revenue	2.3%	0.5%	1.2%
B. Capital Revenue	2.9%	0.3%	0.7%
revenue from privatization	2.9%	0.3%	0.7%
Total expenditure	27.9%	21.1%	22.5%
A. National Economy	7.0%	2.5%	3.8%
B. SocioCultural and Scientific projects	9.2%	6.4%	9.3%
Education and Science	4.9%	3.2%	4.8%
Social Security	1.0%	0.7%	0.8%

Budget Items	1993	1994	1995
Health, Tourism, and Sport	2.6%	2.1%	3.0%
C. Foreign Economic Activity	0.0%	0.7%	0.6%
D. Funds	0.3%	0.8%	0.8%
E. Defense	1.2%	0.8%	1.1%
F. Public Order and Safety	1.5%	1.2%	1.6%
G. State Authorities and Administration	1.4%	0.9%	1.0%
H. Repayment of Internal Government Debt	0.4%	3.9%	0.8%
I. Repayment of External Debt	0.0%	0.4%	1.0%
J. Subsidies	0.0%	0.1%	0.1%
L. Other expenditures	0.0%	3.2%	1.6%
Debt repayment to budget	0.0%	0.5%	0.3%
Overall balance	-1.4%	-1.8%	-2.3%
Budget Financing	1.4%	1.8%	2.3%
A. Domestic	3.2%	1.3%	0.5%
B. External	0.7%	1.4%	1.9%

## (iv) Production and consumption of basic goods

Table A1.7 - Production (P) and Consumption (C) of basic goods

Basic Goods	1993		1994		1995	
	P	C	P	C	P	C
<b>Food products</b>						
Meat and meat products (thousands tons)	1,311.5	1,000.1	1,206.6	941.4	912.8	847.2
Milk and milk products, thousands tons	5,576.5	4,410.6	5,296.0	4,118.6	4,461.2	3,754.4
Eggs, Million. units	3,288.2	2,883.9	2,629.3	2,353.5	1,823.2	1,661.2
Vegetables, thousands tons	990.0	848.2	927.2	891.0	942.0	897.1
Bread and bread products, thousands tons	21,631.0	3,053.5	16,454.0	3,328.5	9,505.0	2,923.7
Fruits and berries, thousands tons	124.9	154.8	137.0	169.8	166.0	216.0
Potatoes, thousands tons	2,296.3	1,357.1	2,040.2	1,260.1	1,720.0	1,046.6
Sugar, thousands tons	202.4	181.4	110.7	311.0	107.7	299.0
Vegetable oil, thousands tons	43.8	44.8	43.4	121.0	43.2	122.9
<b>Light industry goods</b>						
Fabric, Million. square m.	188.1	133.2	107.4	55.3	30.5	7.8
Knitted products, thousands units	50,161.0	54.5	29,077.2	24.3	9,043.0	7.18
Footwear, thousands pairs	16,306.0	35.6	7,713.8	9.17	2,129.0	2.2

Basic Goods	1993		1994		1995	
<b>Other goods</b>						
TV sets, thousands units	20.1	55.5	40.9	49.0	41.0	49.1
Refrigerators and freezers thousands units	12.9	23.6	33.1	18.8	10.9	17.0
Washing machines, thousands units	255.4	180.8	87.7	38.9	46.3	34.9

\* data not available for this year

\*\* data not available for these types of goods

**(v) Annual changes in prices**

Table A1.8 - Annual changes in prices (in percent of previous year)

	1993	1994	1995
All goods (average)	2,265.0	1,258.3	160.3
Food	2,297.1	1,155.7	158.7
Bread and cereals	1,943.7	2,221.2	176.6
Meat, poultry and fish	2,144.1	1,076.5	168.4
Eggs and milk products	2,152.7	2,469.3	181.2
Oil and fats	1,894.1	1,476.9	167.2
Fruits and vegetables	3,405.8	691.0	136.8
Sugar, coffee, tea, spices	1,816.5	968.6	137.2
Tobacco	2,314.1	362.9	143.9
Clothes and footwear	1,605.6	1,169.3	133.5
Rent, water, electric power	6,159.7	3,834.6	341.4
Household goods	1,930.1	985.2	133.3
Medication	2,142.0	2,556.3	145.2
Transport and communication	2,691.3	1,734.9	197.0
Recreation, education, culture	2,716.7	1,690.7	162.1
Personal Care	3,927.3	1,058.7	135.2

**(vi) Employment in different sectors**

Table A1.9 - Employment in different Sectors of the National Economy (in percent)

Sector	1993	1994	1995
Total employed workforce (thousands)	6,926.3	6,581.8	6,551.5
Industry	17.25	17.53	16.00
Agriculture	16.00	17.62	10.00
Services	44.74	41.30	40.00
Construction	7.10	6.26	5.00

Sector	1993	1994	1995
Communications	1.14	1.29	1.00
Financial	0.75	0.77	1.00
Trade	4.24	4.38	4.00
Transportation	7.17	6.72	6.00
Other Services	24.34	21.88	23.00
Other	22.01	23.55	34.00

**(vii) Levels of employment**

Table A1.10 Levels of Employment (thousands)

	1993	1994	1995
Population	16,964.0	16,810.5	16,612.2
Total Labor Resources*	9,379.5	9,240.5	9,153.0
Economically Active Population**	6,963.4	7,118.2	7,359.8
Employed	6,926.3	6,581.8	6,551.5
State sector***	****	3,531.7	2,796.6
Unemployed	37.1	536.4	808.3
Unemployment (in percent)	0.53%	7.53%	10.97%

\* includes students and homemakers

\*\* excludes students and homemakers

\*\*\* includes state enterprises and public and government bodies and institutions

\*\*\*\* data not available for this year

**(viii) Balance of payments**

Table A1.11 - Balance of Payments (in mln. US\$)

	1994	1995
A. CURRENT ACCOUNT	-877.36	-516.4
Trade balance	-922.9	-222.5
Export (FOB)	3332.9	5196.6
Imports (FOB)	-4255.8	-5419.1
Service, net	-2.2	-204.6
Transportation	69.2	87.2
Passenger	15.1	20.7
Other Services	-71.4	-291.8
Travel	-97.5	-158.1
Income	-49.0	-149.9
Interest	-49.0	-144.0

	1994	1995
Other Income	0.0	-5.9
Current transfers	96.8	60.6
<b>B. CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>-736.7</b>	<b>487.6</b>
Capital transfers	-1065.4	-380.6
Migrants transfers	-1065.4	-380.6
Other transfers	0.0	0.0
Direct investment	635.0	723.0
Other investment	726.0	497.1
Trade credits	439.1	119.2
Drawings	542.8	256.0
Repayment (paid)	-103.2	-118.6
Arrears on Principal Repayment	-0.5	-18.3
Loans	287.0	377.9
Drawings	274.6	359.3
Repayment (accrued)	12.4	18.6
Other capital	-1032.3	-351.9
<b>C. NET ERRORS &amp; OMISSIONS</b>	<b>1153.3</b>	<b>135.8</b>
<b>D. OVERALL BALANCE</b>	<b>-460.6</b>	<b>107.0</b>
<b>E. FINANCING</b>	<b>460.6</b>	<b>106.9</b>
International reserves	-403.4	-252.3
Monetary gold	0.0	0.0
Net asset in foreign exchange	-403.4	-252.3
Foreign assets in NBK	-403.4	-252.3
Banks	0.0	0.0
IMF Credit	192.4	141.1
Exceptional financing	671.6	4.3
Interest payable	15.8	-13.5
Arrears on Principal	0.5	17.8
Debt among enterprises	655.3	0.0

**(ix) Foreign exchange**

Table A1.12 - Exchange Rate

		<b>US\$</b>	<b>DM</b>	<b>1000 RR</b>
1993	Average	2.58		
1994	Month I	7.88	5.60	5.58
	II	11.43	6.57	7.04
	III	16.71	9.85	9.71

		<b>US\$</b>	<b>DM</b>	<b>1000 RR</b>
	IV	23.55	13.96	13.19
	V	35.64	21.45	17.69
	VI	41.73	25.44	22.70
	VII	44.66	29.75	21.68
	VIII	45.7	29.48	20.94
	IX	47.01	30.49	21.03
	X	48.67	32.18	16.51
	XI	51.00	33.65	15.86
	XII	53.47	34.35	16.26
1994	Average	35.62	22.78	15.73
1995	Month I	55.42	36.23	14.83
	II	58.73	39.05	13.91
	III	60.53	42.84	12.88
	IV	62.06	45.22	12.49
	V	63.10	45.40	12.18
	VI	63.54	45.71	13.42
	VII	62.58	45.50	13.89
	VIII	56.62	39.70	13.02
	IX	59.81	40.87	13.40
	X	61.47	43.54	13.69
	XI	63.29	45.32	14.01
	XII	63.97	44.58	13.86
1995	Average	60.93	42.83	13.47
1996	Month I	64.41	44.3	13.83
	II	65.25	44.57	13.90
	III	65.21	44.51	13.81
	IV	65.55	43.99	13.80

- (b) Foreign trade statistics
- (i) Foreign trade (aggregates at the two-digit HS level) on the basis of cargo customs declarations

Table A1.13 - Foreign Trade (in value and percentage) in 1995

HS	Chapter	Export (thousands US\$)	Import (thousands US\$)	% of total export	% of total import
01	Live animals	4,347.4	426.4	0.09	0.01
02	Meat and edible meat offal	59,595.4	7,550.1	1.20	0.20
03	Fish and crustaceans, molluscs and other aquatic invertebrates	10,792.4	4,229.8	0.22	0.11
04	Dairy produce; birds' eggs; natural honey	21,698.3	16,342.5	0.44	0.44
05	Products of animal origin, not elsewhere specified or included	3,706.9	142.9	0.07	0.00
06	Live trees and other plants	16.0	58.9	0.00	0.00
07	Edible vegetables and certain roots and tubers	13,566.5	3,391.2	0.27	0.09
08	Edible fruit and nuts	627.9	8,674.5	0.01	0.23
09	Coffee, tea, mate and spices	402.2	33,598.0	0.01	0.90
10	Cereals	331,796	2,263.6	6.67	0.06
11	Products of the milling industry	42,614.4	1,542.1	0.86	0.04
12	Oil seeds and oleaginous fruits	3,077.5	5,866.9	0.06	0.16
13	Lac; gums, resins and other vegetable saps and extracts	427.6	609.6	0.01	0.02
14	Vegetable plaiting materials	15,176.6	7,102.3	0.31	0.19
15	Animal or vegetable fats and oils	2,833.6	20,766.9	0.06	0.55
16	Preparations of meat, of fish or of crustaceans, molluscs	23,737.3	8,380.2	0.48	0.22
17	Sugars and sugar confectionery	4,792.6	125,136.0	0.10	3.34
18	Cocoa and cocoa preparations	444.8	14,269.6	0.01	0.38
19	Preparations of cereals, flour, starch or milk; pastry cooks' products	5,159.0	31,694.0	0.10	0.85
20	Preparations of vegetables, fruit, nuts or other parts of plants	3,655.2	14,295.8	0.07	0.38
21	Miscellaneous edible preparations	787.2	12,176.2	0.02	0.33
22	Beverages, spirits and vinegar	7,402.8	43,940.2	0.15	1.17
23	Residues and waste from the food industries	8,934.0	1,068.8	0.18	0.03
24	Tobacco and manufactured tobacco substitutes	4,894.6	39,229.7	0.10	1.05

<b>HS</b>	<b>Chapter</b>	<b>Export (thousands US\$)</b>	<b>Import (thousands US\$)</b>	<b>% of total export</b>	<b>% of total import</b>
25	Salt; sulphur; earths and stone	81,894.8	28,961.4	1.65	0.77
26	Ores, slag and ash	118,752.3	109,499.3	2.39	2.93
27	Mineral fuels, mineral oils and products	1,184,198	927,041.9	23.80	24.77
28	Inorganic chemicals	365,081	86,797.1	7.34	2.32
29	Organic chemicals	15,047.8	56,181.0	0.30	1.50
30	Pharmaceutical products	10,792.7	25,773.4	0.22	0.69
31	Fertilizers	46,371.6	4,063.1	0.93	0.11
32	Tanning or dyeing extracts	2,202.3	23,244.1	0.04	0.62
33	Essential oils and resinoids; perfumery cosmetic or toilet preparations	1,730.5	16,671.1	0.03	0.45
34	Soap, organic surface-active agents	1,667.8	29,711.0	0.03	0.79
35	Albuminoidal substances	6,353.8	2,481.4	0.13	0.07
36	Explosives; pyrotechnic products	207.1	29,831.2	0.00	0.80
37	Photographic or cinematographic goods	14.8	1,970.2	0.00	0.05
38	Miscellaneous chemical products	12,388.8	47,379.5	0.25	1.27
39	Plastics and articles thereof	42,453.7	34,501.7	0.85	0.92
40	Rubber and articles thereof	10,464.8	89,620.0	0.21	2.39
41	Raw hides and skins and leather	37,398.2	931.5	0.75	0.02
42	Articles of leather	533.8	2,527.6	0.01	0.07
43	Furskins and artificial fur	3,223.2	925.7	0.06	0.02
44	Wood and articles of wood	1,968.8	62,412.5	0.04	1.67
45	Cork and articles of cork	1,013.7	11.9	0.02	0.00
46	Manufactures of straw	12.2	4.2	0.00	0.00
47	Pulp of wood or of other fibrous cellulosic material	212.6	3,924.4	0.00	0.10
48	Paper and paperboard	3,075.6	70,761.9	0.06	1.89
49	Printed books, newspapers, pictures and other products of the printing industry	443.0	16,231.6	0.01	0.43
50	Silk	567.9	1,188.4	0.01	0.03
51	Wool, fine and coarse animal hair	51,677.6	3,302.4	1.04	0.09
52	Cotton	45,924.1	8,511.1	0.92	0.23
53	Other vegetable textile fibre	71.8	940.7	0.00	0.03
54	Man-made filaments	644.0	3,155.7	0.01	0.08
55	Man-made staple fibres	6,105.3	6,249.1	0.12	0.17
56	Wadding, felt and non-wovens	6,709.8	7,387.8	0.13	0.20



HS	Chapter	Export (thousands US\$)	Import (thousands US\$)	% of total export	% of total import
57	Carpets and other textile floor-coverings	413.1	2,932.9	0.01	0.08
58	Special woven fabrics	223.0	2,113.1	0.00	0.06
59	Impregnated, coated, covered or laminated textile fabrics	1,339.2	6,506.1	0.03	0.17
60	Knitted or crocheted fabrics	131.6	283.3	0.00	0.01
61	Articles of apparel and clothing accessories, knitted or crocheted	6,824.0	15,432.7	0.14	0.41
62	Articles of apparel and clothing accessories, not knitted or crocheted	4,088.4	22,796.3	0.08	0.61
63	Other made up textile articles	2,542.0	13,132.3	0.05	0.35
64	Footwear, gaiters and the like	3,379.2	33,177.6	0.07	0.89
65	Headgear and parts thereof	96.8	503.4	0.00	0.01
66	Umbrellas and parts thereof	62.0	38.3	0.00	0.00
67	Prepared feathers and down	0.0	31.0	0.00	0.00
68	Articles of stone, plaster, cement	14,675.4	15,874.2	0.29	0.42
69	Ceramic products	4,215.3	32,918.2	0.08	0.88
70	Glass and glassware	938.1	15,192.3	0.02	0.41
71	Natural or cultured pearls, precious stones, precious metals	11,494.5	5,204.0	0.23	0.14
72	Iron and steel	958,766.1	76,560.7	19.27	2.05
73	Articles of iron or steel	67,244.3	165,345.8	1.35	4.42
74	Copper and articles thereof	612,327.2	12,800.7	12.31	0.34
75	Nickel and articles thereof	151,136.2	32.0	3.04	0.00
76	Aluminum and articles thereof	29,249.3	17,137.5	0.59	0.46
78	Lead and articles thereof	32,452.0	6,917.0	0.65	0.18
79	Zinc and articles thereof	145,025.0	1,705.7	2.91	0.05
80	Tin and articles thereof	0.0	8,431.2	0.00	0.23
81	Other base metals	54,784.6	518.0	1.10	0.01
82	Tools, implements, cutlery, spoons, forks of base metal	1,763.8	7,839.7	0.04	0.21
83	Miscellaneous articles of base metal	4,336.8	13,033.5	0.09	0.35
84	Nuclear reactors, boilers, machinery and mechanical appliances	95,500.2	522,782.1	1.92	13.97
85	Electrical machinery and equipment	45,343.7	237,152.7	0.91	6.34
86	Railway or tramway locomotives, rolling-stock and parts thereof	2,089.1	48,267.8	0.04	1.29
87	Vehicles and parts	49,955.9	215,647.8	1.00	5.76
88	Aircraft, spacecraft, and parts thereof	3,750.1	2,727.3	0.08	0.07

HS	Chapter	Export (thousands US\$)	Import (thousands US\$)	% of total export	% of total import
89	Ships, boats and floating structures	841.8	70.5	0.02	0.00
90	Optical, photographic instruments, etc.	9,903.6	79,181.6	0.20	2.12
91	Clocks and watches and parts thereof	7.4	1,274.8	0.00	0.03
92	Musical instruments	254.5	129.7	0.01	0.00
93	Arms and ammunition	23,612.7	1,571.5	0.47	0.04
94	Furniture; bedding and the like	6,425.9	45,726.7	0.13	1.22
95	Toys, games and sports requisites	378.5	3,916.8	0.01	0.10
96	Miscellaneous manufactured articles	230.0	2,244.6	0.00	0.06
97	Work of art, collectors' pieces and antiques	0.2	0.2	0.00	0.00
	Total	4,975,491.10	3,742,101.7	100.00	100.00

(ii) **Export statistics**

Table A1.14 - Export of Kazakhstan (mln.US\$)

	1993	1994	1995
Export	3,458.8	3,230.7	4,975.5

Table A1.15 - Main export items (by value)

Goods (share of total export)	in percent	
	1994	1995
Wheat	2	5
Coal	10	5
Oil and gas condensate	16	14
Ferro-alloys	5	6
Rolled ferrous metals	10	10
Copper and copper alloys	13	11
Zinc and zinc alloys	3	3

Table A1.16 - Main exports items (by volume)

<b>Goods</b>	<b>1994</b>	<b>1995</b>	<b>95 to 94</b>
Wheat, thousands tons	2,382.1	2,485.6	104%
Chromium ores, thousand tons	1,216.2	1,029.6	85%
Coal, thousands tons	22,406.8	12,951.0	58%
Oil and gas condensate, thousand tons	9,444.8	11,250.0	119%
Ferro-alloys, thousands tons	468.3	578.3	123%
Rolled ferrous metals, thousand tons	1,490.8	1,694.0	114%
Copper and copper alloys, thousand tons	301.1	216.6	72%
Zinc and zinc alloys, thousand tons	151.0	147.7	98%

Table A1.17 -Main export partners (1995)

<b>Country</b>	<b>Exports (mln. US\$)</b>	<b>% of total exports</b>
Russia	2,102.6	42.3%
Netherlands	492.8	9.9%
China	294.2	5.9%
Switzerland	186.7	3.8%
Germany	170.4	3.4%
Uzbekistan	159.5	3.2%
Italy	142.6	2.9%
Ukraine	121.4	2.4%
Lithuania	120.8	2.4%
Great Britain	111.7	2.2%
Turkey	70.8	1.4%
Belarus	57.5	1.2%
Turkmenistan	51.1	1.0%
USA	44.7	0.9%

**(iii) Import statistics**

Table A1.18 - Import of Kazakstan (mln. US\$)

	<b>1993</b>	<b>1994</b>	<b>1995</b>
Import	3,086.9	3,493.8	3,742.1

Table A1.19 - Main imports items (by value)

Goods (share of total import)	in percent	
	1994	1995
Sugar	2	3
Ores and Concentrates	1	3
Mineral fuel, oil, oil products	28	25
Articles of iron or steel	4	4
Nuclear reactors and machinery	13	14
Electrical machinery and equipment	8	6
Vehicles and parts	7	6

Table A1.20 - Main import items (by volume)

Goods	1994	1995	95 to 94
Sugar, thousands tons	162.1	267.0	164%
Tea, thousands tons	40.3	13.8	32%
Ores and concentrates, thousands tons	287.7	312.2	109%
Coal, thousands tons	406.0	1,192.6	299%
Coke, thousands tons	716.8	841.9	118%
Oil products, thousands tons	1,922.3	1,700.4	88%
Electric energy, Million KWH	13031.0	7,392.7	57%
Natural gas, Million cubic m	7173.1	9,120.9	127%

Table A1.21 - Main import partners (1995)

Country	imports (mln. US\$)	% of total imports
Russia	1,834.1	49.0%
Uzbekistan	263.5	7.8%
Turkmenistan	230.6	6.2%
Germany	201.5	5.4%
Turkey	123.9	3.3%
Ukraine	86.7	2.3%
Great Britain	82.8	2.2%
Belarus	79.8	2.1%
USA	72.5	1.9%
Switzerland	57.3	1.5%
China	34.2	0.9%
Netherlands	30.9	0.83%

Country	imports (mln. US\$)	% of total imports
Italy	30.1	0.80%
Lithuania	18.0	0.53%

(iv) Imports from main suppliers preferably at a tariff line level

Table A1.22 - Main imports from Russia (1994 and 1995):  
value of import (thousands US\$) and share of import from Russia (in percent)

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
17	Sugars and sugar confectionery	9,364	0.7%	66,222	
26	Ores , slag and ash	4,137	0.3%	9,436	0.5%
27	Mineral fuels, mineral oils and products	393,300	31.2%	441,557	24.1%
28	Inorganic chemicals	31,302	2.5%	79,550	4.3%
40	Rubber and articles thereof	32,571	2.6%	72,281	3.9%
73	Articles of iron or steel	83,983	6.7%	139,992	7.6%
84	Nuclear reactors	90,989	7.2%	201,791	11.0%
85	Electrical machinery and equipment	123,258	9.8%	104,850	5.7%
87	Vehicles and parts	121,254	9.6%	109,954	6.0%
90	Optical, photographic instruments, etc.	6,887	0.5%	15,805	0.9%
25	Salt; sulphur; earths and stone	8,305	0.7%	24,939	1.4%
29	Organic chemicals	24,637	2.0%	47,524	2.6%
44	Wood and articles of wood	34,018	2.7%	56,732	3.1%
48	Paper and paperboard	22,755	1.8%	31,961	1.7%
69	Ceramic products	9,061	0.7%	27,057	1.5%
72	Iron and steel	62,703	5.0%	68,748	3.7%
86	Railway locomotives	22,733	1.8%	32,212	1.8%
	Other	180,743	14.3%	303,489	16.5%

Table A1.23- Main imports from Uzbekistan (1994 and 1995):  
value of import (thousands US\$) and share of import from Uzbekistan (in percent)

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
7	Edible vegetables	1,681	0.6%	632	0.2%
14	Vegetable plaiting materials	734	0.3%	5,978	2.3%
20	Preparations of vegetables, fruits, nuts and other parts of plants	1,846	0.7%	2,888	1.1%
27	Mineral fuels, mineral oils and products (natural gas, electric energy)	234,600	87.1%	208,859	79.3%
28	Inorganic chemicals	1,140	0.4%	4,673	1.8%
31	Fertilizers	736	0.3%	2,759	1.0%
52	Cotton	1,559	0.6%	2,758	1.0%
56	Wadding, felt and non-wovens	617	0.2%	3,808	1.4%
84	Nuclear reactors, boilers, machinery	3,907	1.5%	6,156	2.3%
	Other	22,5801	8.3%	24,989	9.5%

Table A1.24 - Main imports from Turkmenistan (1994 and 1995):  
value of import (thousands US\$) and share of import from Turkmenistan (in percent)

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
27	Mineral fuels, mineral oils and products (natural gas)	261,200	99.5%	229,108	99.4%
	Other	1,300	0.5%	1,471	0.6%

Table A1.25 - Main imports from Germany (1994 and 1995):  
value of import (thousands US\$) and share of import from Germany (in percent)

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
4	Dairy produce	887	0.3%	1,061	0.5%
12	Oil seeds and oleaginous fruits	134	0.0%	2,339	1.2%
22	Beverages, spirits and vinegars	14,874	5.1%	5,796	2.8%
24	Tobacco	94	0.0%	5,957	3.0%
40	Rubber and articles thereof	939	0.3%	1,798	0.8%
38	Miscellaneous chemical products	9,803	3.3%	2,747	1.4%
33	Essential oils and resinoids; perfumery	2,809	1.0%	3,762	1.9%
34	Soap	774	0.3%	2,686	1.3%
39	Plastics and articles thereof	2,871	1.0%	5,535	2.7%

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
48	Paper and paperboard	3,007	1.0%	7,215	3.6%
64	Footwear	12,486	4.2%	5,745	2.9%
84	Nuclear reactors, boilers, machinery	102,002	34.7%	66,612	33.1%
85	Electrical machinery and equipment	40,925	13.9%	25,523	12.7%
86	Railway locomotives	1,566	0.5%	8,597	4.3%
87	Vehicles and parts	16,782	5.7%	9,073	4.5%
90	Optical, photographic instruments, etc.	16,420	5.6%	9,289	4.6%
94	Furniture; bedding and the like	6,451	2.2%	4,617	2.3%
	Other	61,176	20.8%	33,146	16.4%

Table A1.26 - Main imports from Turkey (1994 and 1995):  
value of import (thousands US\$) and share of import from Turkey (in percent)

HS Code	Chapter	1994		1995	
		Value	Share	Value	Share
15	Animal or vegetable fats and oils	9,781	11.2%	2,447	2.0%
17	Sugars and sugar confectionery	1,053	1.2%	4,291	3.5%
18	Cocoa and cocoa preparations	1,356	1.6%	1,398	1.1%
19	Preparations of cereals, flour, starch or milk	5,317	6.1%	17,215	13.9%
22	Beverages, spirits and vinegars	4,668	5.4%	2,329	1.9%
34	Soap, organic surface-active agents	4,171	4.8%	6,822	5.5%
39	Plastics and articles thereof	1,568	1.8%	2,915	2.4%
73	Articles of iron or steel	4,326	5.0%	3,484	2.8%
84	Boilers, machinery, nuclear reactors	6,468	7.4%	33,707	27.2%
85	Electrical machinery and equipment	9,478	10.9%	11,247	9.1%
87	Vehicles and parts	5,794	6.7%	12,668	10.2%
94	Furniture; bedding and the like	2,387	2.7%	3,251	2.6%
	Other	30,633	35.2%	22,091	17.8%

## (v) Trade by geographic areas (main trade partners) for 1995

Table A1.27 - Trade with Europe (thousands US\$) and share of total trade (in percent)

	Turnover	Share	Export	Import
<b>Europe</b>	<b>2,070,180</b>	<b>23.75%</b>	<b>1,406,412.8</b>	<b>663,767.1</b>
Netherlands	523,720	6.01%	492,799	30,921
Germany	371,889	4.27%	170,391	201,498
Switzerland	244,031	2.80%	186,712	57,319
Great Britain	194,504	2.23%	111,679	82,825
Italy	172,604	1.98%	142,531	30,053
Finland	81,842	0.94%	50,502	31,339
Ireland	79,453	0.91%	71,646	7,807
Austria	67,281	0.77%	15,657	51,624
Czech Republic	49,087	0.56%	26,727	22,360
Poland	38,811	0.45%	38,044	20,767
France	37,681	0.43%	11,306	26,375
Hungary	29,780	0.34%	8,367	21,414

Table A1.28 - Trade with Asia (thousands US\$) and share of total trade (in percent)

	Turnover	Share	Export	Import
<b>Asia</b>	<b>992,985</b>	<b>11.39%</b>	<b>644,257</b>	<b>340,728</b>
China	328,368	3.77%	294,154	34,214
Turkey	194,678	2.23%	70,810	123,868
Republic of Korea	134,823	1.55%	91,625	43,198
Mongolia	63,065	0.72%	2,391	60,674
Iran	62,535	0.72%	46,514	14,022
Japan	53,364	0.61%	44,987	8,377
Thailand	40,153	0.46%	39,853	300
Taiwan	19,982	0.23%	19,310	672
Israel	15,573	0.18%	150	15,423
Cyprus	14,900	0.17%	10,710	4,191
India	14,689	0.17%	533	14,157
Singapore	14,132	0.16%	1,099	13,032



Table A1.29 - Trade with America (thousands US\$) and share of total trade (in percent)

	<b>Turnover</b>	<b>Share</b>	<b>Export</b>	<b>Import</b>
<b>America</b>	<b>228,325</b>	<b>2.62%</b>	<b>109,739</b>	<b>118,586</b>
USA	117,205	1.34%	44,683	72,522
Bahamas	55,284	0.63%	55,253	31
Chile	36,249	0.42%	-	36,249
Canada	10,316	0.12%	2,419	7,897

Table A1.30 - Trade with Australia (thousands US\$) and share of total trade (in percent)

	<b>Turnover</b>	<b>Share</b>	<b>Export</b>	<b>Import</b>
Australia	3,067	0.04%	140	2,926

Table A1.31 - Trade with CIS-countries (thousands US\$) and share of total trade (in percent)

	<b>Turnover</b>	<b>Share</b>	<b>Export</b>	<b>Import</b>
<b>CIS-countries</b>	<b>5,201,310</b>	<b>59.67%</b>	<b>2,631,460</b>	<b>2,569,849</b>
Russia	3,936,727	45.16%	2,102,631	1,834,096
Uzbekistan	423,027	4.85%	159,542	263,485
Turkmenistan	281,648	3.23%	51,069	230,579
Ukraine	208,109	2.39%	121,367	86,742
Belarus	137,240	1.57%	57,473	79,767
Kyrgyzstan	101,652	1.17%	73,274	28,377
Tadjikistan	52,215	0.60%	40,774	11,442
Azerbaijan	47,360	0.54%	22,420	24,940
Moldova	8,021	0.09%	2,467	5,554
Armenia	2,853	0.03%	192	2,661
Georgia	2,460	0.03%	252	2,208

Table A1.32 - Trade with Baltic countries (thousands US\$) and share of total trade (in percent)

	<b>Turnover</b>	<b>Share</b>	<b>Export</b>	<b>Import</b>
<b>Baltic countries</b>	<b>206,018</b>	<b>2.36%</b>	<b>169,714</b>	<b>36,304</b>
Lithuania	138,795	1.59%	120,807	17,988
Latvia	44,706	0.51%	33,162	11,545
Estonia	22,517	0.26%	15,746	6,771

Table A1.33 - Main trading partners (1995)

Country	Turnover (mln. US\$)	% of total turnover
Russia	3,936.7	45.2%
Netherlands	523.7	6.0%
Uzbekistan	423.0	4.9%
Germany	371.9	4.2%
China	328.4	3.8%
Turkmenistan	281.6	3.2%
Switzerland	244.0	2.7%
Ukraine	208.1	2.4%
Turkey	194.6	2.2%
Great Britain	194.5	2.2%
Italy	172.6	2.0%
Lithuania	138.8	1.6%
Belarus	137.2	1.6%
USA	117.2	1.3%

Table A1.34 Export-Import of services (mln. US\$)

	1993		1994		1995	
	Export	Import	Export	Import	Export	Import
<b>Total</b>	<b>810.1</b>	<b>402.1</b>	<b>430.4</b>	<b>472.9</b>	<b>533.5</b>	<b>752.3</b>
(a) Transportation	726.4	279.1	305.5	245	339.2	260.5
- cargo	455.7	274.9	266.8	220.6	291.4	226.8
- passengers	11.2	4.2	12.1	6.5	20.7	8.6
- other	259.5	0	26.6	17.9	27.1	25.1
(b) Tourism	48.2	40.9	66.6	141.2	132.4	296.2
(c) Communications	8.1	10.2	38	20.6	35.2	53.6
(d) official services	5.8	1.6	8.3	10.3	6.2	45.5
(e) technical assistance	0	33.3	0	32.4	0	60
(f) other	21.6	37	12	23.4	20.5	36.5

Table A1.35 Trade-Weighted Average Import Tariff Rates

Chapter 1	0.12%	Chapter 34	14.18%	Chapter 67	20.00%
Chapter 2	20.82%	Chapter 35	4.96%	Chapter 68	15.00%
Chapter 3	5.16%	Chapter 36	30.00%	Chapter 69	24.59%
Chapter 4	13.84%	Chapter 37	9.06%	Chapter 70	14.42%
Chapter 5	10.00%	Chapter 38	0.80%	Chapter 71	34.32%
Chapter 6	15.86%	Chapter 39	16.96%	Chapter 72	4.99%
Chapter 7	12.67%	Chapter 40	8.85%	Chapter 73	19.21%
Chapter 8	19.51%	Chapter 41	5.00%	Chapter 74	5.00%
Chapter 9	5.61%	Chapter 42	23.90%	Chapter 75	20.00%
Chapter 10	0.31%	Chapter 43	9.84%	Chapter 76	9.54%
Chapter 11	10.00%	Chapter 44	19.90%	Chapter 77	0.00%
Chapter 12	5.00%	Chapter 45	0.00%	Chapter 78	5.00%
Chapter 13	4.90%	Chapter 46	25.00%	Chapter 79	5.00%
Chapter 14	0.42%	Chapter 47	15.00%	Chapter 80	5.00%
Chapter 15	12.81%	Chapter 48	8.69%	Chapter 81	15.00%
Chapter 16	72.61%	Chapter 49	0.68%	Chapter 82	12.87%
Chapter 17	13.67%	Chapter 50	2.65%	Chapter 83	25.00%
Chapter 18	34.00%	Chapter 51	20.00%	Chapter 84	6.98%
Chapter 19	14.09%	Chapter 52	9.84%	Chapter 85	0.00%
Chapter 20	15.96%	Chapter 53	9.69%	Chapter 86	0.00%
Chapter 21	13.06%	Chapter 54	10.64%	Chapter 87	24.78%
Chapter 22	185.63%	Chapter 55	5.00%	Chapter 88	3.17%
Chapter 23	2.75%	Chapter 56	2.26%	Chapter 89	30.00%
Chapter 24	18.78%	Chapter 57	30.00%	Chapter 90	2.52%
Chapter 25	5.00%	Chapter 58	24.91%	Chapter 91	21.55%
Chapter 26	0.00%	Chapter 59	5.18%	Chapter 92	5.00%
Chapter 27	5.00%	Chapter 60	10.00%	Chapter 93	100.00%
Chapter 28	5.24%	Chapter 61	16.73%	Chapter 94	21.25%
Chapter 29	0.00%	Chapter 62	19.96%	Chapter 95	17.01%
Chapter 30	0.00%	Chapter 63	20.70%	Chapter 96	19.62%
Chapter 31	10.00%	Chapter 64	19.86%	Chapter 97	0.00%
Chapter 32	5.00%	Chapter 65	20.00%		
Chapter 33	15.21%	Chapter 66	20.00%		

**(c) Government procurement**

The republic of Kazakhstan does not maintain any statistics on government procurement except procurement of grain for state reserves. The value of state procurement of grain was approximately Tenge 5.3 Billion in 1994 and Tenge 2.6 Billion in 1995. The government plans to procure grain in the amount of Tenge 6.0 Billion in 1996.

## ANNEX 2

## LIST OF LAWS AND LEGAL ACTS

**General legislation under the responsibility of all state agencies are:**

- Constitution of the Republic of Kazakhstan of August 30, 1995
- Civil Code of Republic of Kazakhstan of December 27, 1994

**1. Laws and legal acts regulating the activity of the customs authorities; responsible agencies.**

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
The Kazakhstan SSR Law "On customs tariffs and duties" of 24 December 1991	Customs Committee Ministry of Finance
Decree of the President of the Republic of Kazakhstan having the force of law "On the customs affairs in the Republic of Kazakhstan" of 20 July 1995; No. 2368	Customs Committee
Decree of the President of the Republic of Kazakhstan "On additional measures for organizing the foreign economic activity of the Republic of Kazakhstan" of 30 July 1993; No 1311	Customs Committee Ministry of Economy Ministry of Industry and Trade
Decree of the President the Republic of Kazakhstan "On liberalization of foreign economic activities" of 11 January 1995; No. 2021	Customs Committee Ministry of Economy Ministry of Industry and Trade
Decree of the President the Republic of Kazakhstan "On establishing the Customs Committee under the Cabinet of Ministers of the Republic of Kazakhstan" of 1 April 1995; No 2160	Customs Committee
Resolution of the President the Republic of Kazakhstan "On implementation of the Decree of the President of the Republic of Kazakhstan having force of law "On the customs affairs in the Republic of Kazakhstan" of 20 July 1995; No. 2369	Customs Committee
Government Resolution "On excise rates for imported goods liable to excise duty and on norms for goods carried through the customs border by individuals and free from excise duty" of 13 July 1995; No 960	Customs Committee Ministry of Finance
Government Resolution "On confirmation of a list of countries-users of the scheme of preferences of the Republic of Kazakhstan" of 20 July 1995; No. 1009	Customs Committee Ministry of Finance

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Government Resolution “On approval of the List of commodities” of 28 July 1995; No. 1035 (with amendments introduced by the Government of the Republic of Kazakhstan of 13 March 1996; No. 304)	Customs Committee Ministry of Finance State Committee on Pricing and Antimonopoly Policy
Government Resolution “On the rates of customs duties for imports” of 15 August 1995; No. 1125 (with amendments introduced by the Government of the Republic of Kazakhstan Resolution of 21 March 1996; No. 300)	Customs Committee Ministry of Finance
Government Resolution “On establishing a system of independent pre-shipment inspection for goods imported into the Republic of Kazakhstan” of 4 October 1995; No. 1301	Customs Committee
Government Resolution “On excise rates for certain types of goods imported in the Republic of Kazakhstan and liable to excise duty” of 2 November 1995; No 1439	Customs Committee Ministry of Finance
Government Resolution “On the procedure of carrying goods, including vehicles, through the customs border by individuals” of 2 November 1995; No. 1440	Customs Committee Ministry of Industry and Trade
Government Resolution “On the customs declaration and taxation of raw materials exported from the Republic of Kazakhstan” of 6 November 1995; No. 1461	Customs Committee Ministry of Industry and Trade
Government Resolution “On the rates of customs payments” of 7 November 1995; No. 1479	Customs Committee Ministry of Finance
Government Resolution “On the order of export and import of goods (work, services) in the Republic of Kazakhstan” of 12 March 1996; No. 298	Customs Committee Ministry of Industry and Trade
Government Resolution “On the rates of customs duties for exporting goods” of 12 March 1996; No. 299	Customs Committee Ministry of Finance
Government Resolution “On Amendments to Government Resolution of 12 March 1996, No. 299” of 28 June 1996; No. 810	Customs Committee
The Resolution of the Council of Governments’ Heads of CIS “On a uniform methodology for determining customs statistics on foreign trade with CIS countries” of 9 December 1994	Customs Committee

**2. Laws and legal acts relating to non-tariff regulation of imports, exports and trade in transit, rules of origin; responsible agencies.**

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Decree of the President of the Republic of Kazakhstan "On cancellation of limitations for export of products and goods bought in the Republic of Kazakhstan for Tenge" of 4 February 1994; No. 1543	Customs Committee Ministry of Economy Ministry of Industry and Trade
Government Resolution "On the declaration and procedure for the transference of goods through the border of the Republic of Kazakhstan" of 19 February 1993; No. 129	Customs Committee
Government Resolution "On measures for further developing the export control system in the Republic of Kazakhstan" of 24 March 1995; No 338	Customs Committee Ministry of Industry and Trade
Decree of the President of the Republic of Kazakhstan having the force of law "On licensing" of 17 April 1995; No. 2200	Ministry of Economy Customs Committee Ministry of Industry and Trade State agencies with licensing role
Resolution of the President the Republic of Kazakhstan "On measures for implementing the Decree of the President of the Republic of Kazakhstan having the force of law "On licensing" of 17 April 1995; No. 2201	Ministry of Economy Customs Committee Ministry of Industry and Trade State agencies with licensing role
Government Resolution "On the stage-by-stage introduction of compulsory certification of products in the Republic of Kazakhstan" of 20 May 1993; No 411	Standardization, Metrology and Certification Committee
Government Resolution "On approval of the Regulation of Procedures governing tolling (on a give and take basis) transactions in the Republic of Kazakhstan" of 23 September 1994; No. 1055	Ministry of Economy Ministry of Industry and Trade Customs Committee
Government Resolution "On the abolishment of export and import barter transactions" of 17 July 1995; No. 984 (with amendments of 29 August 1995)	Ministry of Economy Ministry of Industry and Trade Customs Committee
Government Resolution "On measures for the implementation of the Resolution of the President of the Republic of Kazakhstan 17 April 1995; No. 2201" of 29 December 1995; No. 1894	Ministry of Economy Customs Committee Ministry of Industry and Trade State agencies with licensing role
Government Resolution "On approval of the procedure for destruction or further reprocessing of products in case of determination as unsuitable for sale and consumption" of 29 December 1995; No. 1891	Standardization, Metrology and Certification Committee Customs Committee

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Government Resolution “On approval of the Regulations on the State Committee for standardization, metrology and certification” of 22 February 1996; No. 225	Standardization, Metrology and Certification Committee
The resolution of the Council of the CIS Governments’ Heads “On the procedure for determining the country origin for goods” of 24 September 1993.	Customs Committee

**3. Laws and regulations relating to foreign investments; responsible agencies.**

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
The Kazakhstan SSR Law “On investment activity in Kazakhstan SSR” of 10 June 1991	Ministry of Economy Ministry of Finance
Law “On membership of the Republic of Kazakhstan in the International Monetary Fund, International Bank for Reconstruction and Development, International Finance Corporation, International Development Association, Multilateral Agency of Investments Guarantee and International Center on Investment Disputes Settling” of 26 June 1992	Ministry of Economy Ministry of Finance
Law “On a returnable system of financing for investments” of 12 April 1993	Ministry of Economy Ministry of Finance
Law “On foreign investments” of 27 December 1994	Ministry of Economy Ministry of Finance
Decree of the President of the Republic of Kazakhstan “On measures for increasing the efficiency of state administration and regulation of processes for the attraction of foreign capital to the economy of the Republic of Kazakhstan” of 19 January 1995; No. 2035	Ministry of Economy
Government Resolution “On measures for attracting foreign credits to the Republic of Kazakhstan” of 8 February 1995; No. 139	Ministry of Economy Ministry of Finance

**4. Other laws and legal acts dealing with economic issues that affect trade; responsible agencies.**

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
The Forest Code of the Republic of Kazakhstan of 23 January 1993	Committee for Forest Affairs
The Water Code of the Republic of Kazakhstan of 1 April 1993	Committee for Water Resources

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Law "On peasant farm in the Kazakhstan SSR" of 21 May 1990	Ministry of Agriculture
Law "On freedom of economic activity and the development of business undertakings" of 11 December 1990	Ministry of Economy
Law "On consumer co-operatives" of 11 December 1990	The Republic of Kazakhstan Union of co-operators (non-government organization)
Law "On the development of competition and the restriction of monopolistic activities" of 11 June 1991	State Committee on Pricing and Antimonopoly Policy
Law "On environmental protection" of 18 June 1991	Ministry of Ecology and Bio-Resources
Law "On protection of consumer rights" of 26 June 1992	State Committee on Pricing and Antimonopoly Policy The Republic of Kazakhstan Consumers' Society (non-government and voluntary organization)
Law "On protecting and supporting private business undertakings" of 4 July 1992	Ministry of Economy The Republic of Kazakhstan Chamber of Commerce and Industry (non-government organization)
Law "On State stamp-duties" of 19 December 1992	Ministry of Finance
Law "On standardization and certification" of 18 January 1993	Standardization, Metrology and Certification Committee
Law "On currency exchange regulation" of 14 April 1993	National Bank Ministry of Finance
Law "On protection, reproduction and usage of animals" of 21 October 1993	Ministry of Ecology and Bio-Resources
Law "On Architecture and town-planning in the Republic of Kazakhstan" of 22 October 1993	Ministry of construction, housing and territory building
Law "On trade marks, service marks and geographical indications of the origin of goods" of 18 January 1993	State Agency for Copyright and related rights
Law "On sanitary and anti-epidemic measures ensuring the health of the population" of 8 July 1994	Ministry of Health Protection
Law "On transportation in the Republic of Kazakhstan" of 21 September 1994	Ministry of Transportation and Communication
Decree of the President of the Republic of Kazakhstan having the force of law "On the National Bank" of 30 March 1995; No 2155	National Bank



<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Decree of the President of the Republic of Kazakhstan having the force of law "On bankruptcy" of 7 April 1995; No 2173	Ministry of Economy State Property Management Committee
Decree of the President of the Republic of Kazakhstan having the force of law "On state registration of juridical persons" of 17 April 1995; No. 2198	Ministry of Justice
Decree of the President of the Republic of Kazakhstan having the force of law "On making amendments and additions to legislative acts in connection with the opening of anonymous accounts" of 21 April 1995; No. 2230	National Bank
Decree of the President of the Republic of Kazakhstan having the force of law "On taxes and other mandatory payments to the budget" of 24 April 1995; No. 2235 ("The Tax Code")	Ministry of Finance
Decree of the President of the Republic of Kazakhstan having the force of law "On economic partnerships" of 2 May 1995; No. 2255	Ministry of Economy National Securities Commission
Decree of the President of the Republic of Kazakhstan having the force of law "On state enterprises" of 19 June 1995; No. 2335	Ministry of Economy State Property Management Committee
Decree of the President of the Republic of Kazakhstan having the force of law "On the legal status of foreign citizens in the Republic of Kazakhstan" of 19 June 1995; No. 2337	Ministry of Foreign Affairs Ministry of Internal Affairs
Decree of the President of the Republic of Kazakhstan having the force of law "On oil" of 28 June 1995; No. 2350	Ministry of Oil and Gas Industry Ministry of Geology and Depths Protection
Decree of the President of the Republic of Kazakhstan having the force of law "On State regulation of transactions connected with precious metals and precious stones" of 20 July 1995; No 2372	Ministry of Finance National Bank
Decree of the President of the Republic of Kazakhstan having the force of law "On banks and banking activities" of 31 August 1995; No. 2444	National Bank
Decree of the President of the Republic of Kazakhstan having the force of law "On insurance" of 3 October 1995; No. 2475	State Insurance Supervision
Decree of the President of the Republic of Kazakhstan having the force of law "On production co-operatives" of 5 October 1995; No. 2486	Ministry of Economy Ministry of Industry and Trade

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Decree of the President of the Republic of Kazakhstan having the force of law "On the procedure for conclusion, implementation and denunciation of international agreements of the Republic of Kazakhstan" of 12 December 1995; No. 2679	Ministry of Foreign Affairs
Decree of the President of the Republic of Kazakhstan having the force of law "On usage of air space and aviation in the Republic of Kazakhstan" of 20 December 1995; No. 2697.	Ministry of Transportation and Communication
Decree of the President of the Republic of Kazakhstan having the force of law "On land" of 22 December 1995; No. 2717	State Committee for Land Relation and Land-Tenure Regulations
Decree of the President of the Republic of Kazakhstan having the force of law "On privatization" of 23 December 1995; No. 2721	Privatization Committee State Property Management Committee
Decree of the President of the Republic of Kazakhstan having the force of law "On the mortgage of real estate" of 23 December 1995; No. 2723	Ministry of Finance Ministry of Justice
Decree of the President of the Republic of Kazakhstan having the force of law "On State registration and management of real estate rights" of 25 December 1995; No. 2727	Ministry of Justice
Decree of the President of the Republic of Kazakhstan having the force of law "On accounting" of 26 December 1995; No. 2732	Ministry of Finance
Decree of the President of the Republic of Kazakhstan having the force of law "On special economic zones" of 26 January 1996; No. 2823	Ministry of Economy
Decree of the President of the Republic of Kazakhstan having the force of law "On sub-surface land rights and their exploitation" of 27 January 1996; No. 2828	Ministry of Geology and Depths Protection
Decree of the President of the Republic of Kazakhstan "On the implementation of international treaties and agreements reached by the Republic of Kazakhstan at summits involving the highest intergovernmental relations" of 9 April 1996; No 2940	Ministry of Foreign Affairs
Government Resolution "On Approval of the provision on state ecology expertise" of 25 October 1991; No. 637.	Ministry of Ecology and BioResources
Government Resolution "On approval of typical regulation on rationalization activity" of 27 November 1992; No. 996	Ministry of Justice Ministry of Science and New Technology

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Government Resolution “Issues of State Trade Inspectorate” of 30 March 1995 ; No 369	Ministry of Industry and Trade Local Administration
Government Resolution “ On the procedure of creation of venture firms” of 3 July 1995; No. 908	Ministry of Justice Ministry of Science and New Technology
Government Resolution “On approval of the Regulations on the State Trade Inspectorate” of 21 July 1995; No 1013	Ministry of Industry and Trade Local Administration
Government Resolution “On selling of part of state block of shares of privatized enterprises on Stock Exchange” of 21 August 1995; No. 1154	State Committee for Privatization National Securities Commission
Government Resolution “On establishing currency controls in the Republic” of 31 August 1995; No 1207	Ministry of Finance
“The rules governing hard currency transactions in the Republic of Kazakhstan” approved by the National Bank of 24 November 1994 (with amendments)	National Bank

**5. (a) Existing Laws, resolutions or administrative guidelines which significantly affect trade in services.**

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
The Kazakhstan SSR Law ”On approval of the Regulations on Association of advocates” of 13 November 1980 (with amendments of 28 June 1991)	Association of Advocates (professional non-government organization) Ministry of Justice
Law “On Press and other Mass Media in the Republic of Kazakhstan” of 28 June 1991	National Agency for press and mass information affairs
Law “On education in the Republic of Kazakhstan” of 18 January 1992	Ministry of Education
Law “On protection of the population’s health in the Republic of Kazakhstan” of 10 January 1992	Ministry of Health Protection
The Republic of Kazakhstan Patent Law of 24 June 1992	National Patent Agency
Law “On higher education in the Republic of Kazakhstan” of 10 April 1993	Ministry of Education
Law “On audit activity in Republic of Kazakhstan” of 21 October 1993	Ministry of Finance
Decree of the President of the Republic of Kazakhstan having the force of law “On Commodity exchanges” of 7 April 1995; No 2170	Ministry of Economy Ministry of Industry and Trade
Decree of the President of the Republic of Kazakhstan having the force of law “On Securities and Stock Exchange” of 21 April 1995; No 2227	National Securities Commission

<b>Laws and legal acts</b>	<b>Responsible agencies</b>
Decree of the President of the Republic of Kazakhstan having the force of law "On medical insurance of citizens" of 15 June 1995; No. 2329	Ministry of Health Protection
Decree of the President of the Republic of Kazakhstan having the force of law "On veterinary medicine" of 25 July 1995; No. 2376	Ministry of Agriculture
Decree of the President of the Republic of Kazakhstan having the force of law "On Power engineering" of 23 December 1995; No. 2724	Ministry of Power Engineering and Coal Industry
Resolution of the President of the Republic of Kazakhstan "On measures for implementation of the Decree of the President of the Republic of Kazakhstan having the force of law "On medical insurance of citizens" of 15 June 1995; No. 2330	Ministry of Health Protection
Government Resolution "On rules governing the public demonstration of motion picture and video productions in the Republic of Kazakhstan" of 5 July 1995; No. 926	Ministry of Culture
Government Resolution "On state insurance supervising body" of 19 December 1995; No. 1803	Ministry of Finance
Government Resolution "On approval of regulation on licensing of insurance activity on the territory of the Republic of Kazakhstan" of 19 April 1996; No. 478.	State Insurance Supervision Body Ministry of Finance

**(b) Publications or sources of information, concerning measures of general application, of relevance to the GATS (General Agreement on Trade in Services).**

Sources of information on measures of common use regarding the General Agreement on Trade in Services are as follows:

- Compilation of Acts issued by the President and Government.
- Bulletin of Laws enacted by the Parliament
- Bulletin of international treaties, agreements and some legal acts of the Republic of Kazakhstan
- Bulletin of Acts issued by ministries and departments
- Periodical press
- Legal publications issued by various ministries
- Laws and major regulations and administrative orders are usually published in the mass media no more than one week after they are enacted in Kazakhstan.

Currently there are several electronic databases of legislation of Kazakhstan compiled by the Ministry of Justice and several private entities. Legal information from such suppliers may be obtained at a fee.

**(c) Inquiry points, if there are any, as foreseen in Article III of the General Agreement on Trade in Services.**

Laws and major regulations and administrative guidelines are usually published in the press no more than one week after they are enacted. The government will take additional measures to establish inquiry points as foreseen in Article III of GATS.

## **ANNEX 3**

### **INFORMATION ON IMPORT LICENSING PROCEDURES**

#### **I. Outline of Systems**

Most products may enter the Republic of Kazakhstan without a license. However certain products which may affect the health of citizens, the environment, or National Security do require a license to be imported into the country. During the first nine months of 1995 only 4.04% of imports (and 0.38% of exports) were subject to the licensing procedure.

#### **II. Purpose and coverage of licensing**

1. There is only one licensing system and it applies to chemical agents for plant protection, pharmaceuticals and medical equipment; opium, narcotics and psychotropic agents; enciphering devices and instructive and technical documentation relating thereto; explosives and explosive devices; service and civil armaments and instructive documentation relating to military products, and industrial waste.
2. The system is applicable to goods from all countries, including goods from other member countries of the Customs Union (the Belarus Republic and the Russian Federation), as well as goods from other CIS countries.
3. The licensing system is not intended to restrict either the quantity or value of imported goods; it is simply to protect public health, the environment and national security. Alternative methods of accomplishing these purposes have not been considered because those now existing are not overly burdensome and are considered to be adequate. A more complicated system would be more burdensome and a simplified system would probably not meet our objectives.
4. The licensing of imports is based on Government Resolution No. 298 of 12 March 1996 and by Presidential Decree Number 2200 of 17 April 1995 and is thus statutory in effect. The designation of products to be licensed and the licensing of products to be imported is not left to Administrative discretion. The government may abolish the system of licensing only by statutory action.

#### **III. Procedures**

1. For products under restriction as to the quantity or value of imports:

There are no products under restriction as to quantity or value.

2. Where there are no quantitative limits on importation of a product or on imports from a particular country.
  - (a) The maximum time for granting an import license is ten days; thus the minimum time in which to apply for a license in advance of importation would be ten (10) days but an application made such a short time before importation should be avoided to ensure an orderly import process. A license can be obtained within a shorter time if all the documents (contract, fee, approval from relevant ministry, and sometimes invoice) are submitted with the application and all are in order. An application for an import license is provided in Exhibit A3.1.
  - (b) Yes, a license can be granted immediately, as noted in (a).

(c) No. A license is valid for a period of time sufficient to accomplish the importations covered by the license which may be up to one calendar year, with the possibility of an extension for valid reasons.

(d) Import licenses are, in most cases, issued after review by a single Ministry, the Ministry of Industry and Trade. However, in the case of chemical agents, enciphering devices, and instructive documentation relating to military products the application must be reviewed by more than one Ministry, see Table A3.1.

3. There are no circumstances under which an application for a license may be refused other than for failure to meet the basic requirements. When a license is refused the applicant is advised of the reasons and he may appeal to the Ministry of Industry and Trade on an administrative basis.

#### **IV. Eligibility of importers to apply for license**

1. All persons, firms and institutions are eligible to apply for licenses.

#### **V. Documentation and other requirements for application for license**

1. An application for an import license requires information as to: the name, address, etc. of the applicant; the name and address of the foreign seller of the goods; the name of the local consumer; the Customs entry station; the nature of the transaction (sale, barter, exchange, etc.); the currency of payment; a description of the goods, their tariff code number (s), their unit of measurement, their quantity and their value. The applicant must submit a letter requesting the license, an official application (a copy of which is attached), a copy of the contract to purchase, and a proof of payment of the license fee, usually a bank receipt.

2. When goods are imported the following documents must be submitted to Customs:

(a) authorization from the importer if an agent (broker) is handling the clearance, (b) the original purchase contract plus one copy, (c) a certificate of origin for the goods, (d) an import license for goods which require a license, (e) a certificate of conformity to State standards, (f) the bill of lading, (g) the commercial invoice, (h) a Customs declaration and, when the nature of the goods so require and (i) a certification as to quality and/or quantity for certain goods such as potentially hazardous products and animal foods.

3. A fee is collected at the time the license is issued and as of 01 July 96 it was 9,200 Tenge for goods imported from all countries.

4. There is no deposit or advance payment required in association with the issuance of a license; the fees noted in V (3) above are collected at the time of issuance of the license.

#### **VI. Conditions of licensing**

1. The period of validity of the import license is set at the time of issue and is for a period sufficient to cover the import transactions licensed which may not be longer than one calendar year. An extension of a license may be granted where circumstances warrant.

2. There are no penalties for non-use or only partial use of a license.

3. Licenses are issued to a specific person, enterprise or agency and are not transferable.

4. There are no other conditions attached to the issuance of a license than those noted above.

**VII. Other procedural requirements**

1. There are no other administrative procedures required prior to importation.
2. Any importer has the right to exchange currency through the banks with there being no restrictions or licensing requirements.

**Exhibit A3.1 Application for Import License**

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1. General		Valid for one occasion		License Number	
2. Organization - Applicant (address and phone number)					
3. On instruction of: (organization, enterprise, its address, phone number)		Seller and its address			
4. Consumer		8. Country of Seller			
5. Country of Origin		9. Validity		a. requested by application	b. granted by license
6. Customs Port of Entry		10. The nature of transaction			
		11. Currency of payment			
12. Name and full description of the product	13. Code of Commodity Nomenclature	14. Unit of measurement	15. Quantity	Total value of goods (in thousands of)	
				16. Currency of payment	17. US\$
18. Basis of application for a license		20. Agreed upon (other State bodies)			
		21. Ministry of Industry and Trade			
19. Organization- applicant (name, position, date, signature of head of organization and stamp)		Name  Position  Signature  Date  Stamp here			
22. Number of settlement (currency) accounts, names of banks/banks' branches					
23. Special conditions of license					

Items 1, 9b, and 23 are for use by the Ministry of Industry and Trade

Item 17 - Tenge instead of US\$ if import is from CIS



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**Customs Remarks\***

Product		Unit of Measurement	Shipped quantity	Date of remark	Signature of Customs officer
Name	Code of Commodity Nomenclature				

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\*  
Note: To be filled on accrued basis  
The Ministry of Industry and Trade provides detailed instruction on filling this form.

Table A3.1 - List of goods, import whereof shall be carried out under license

<b>Name of Goods</b>	<b>Code of Commodity Nomenclature</b>	<b>The Ministries and Departments of the Republic of Kazakhstan coordinating decision on license issuance</b>
Chemical agents for plant protection	3808 (only preparation for plant protection)	Ministry of Agriculture Ministry of Ecology and Bio-Resources
Pharmaceuticals, medical equipment	2936-2939, 2941, 3001-3004, 3006, 9013, 9018-9022	Ministry of Health Protection
Pharmaceuticals for veterinary purposes and veterinary equipment	2936-2939, 2941, 3001-3006, 9018-9022	Ministry of Agriculture
Narcotics and psychotropic agents, venoms	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Health Protection Ministry of Ecology and Bio-Resources
Enciphering devices (including enciphering equipment, parts for enciphering equipment and software for enciphering), instructive and technical documentation relating to enciphering devices (including both design and maintenance)	8471 (only enciphering equipment), 847330000, (only to enciphering equipment), 854390900 (only for enciphering equipment)	CNS, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Devices for protection from combat poisonous substances, components and accessories therefor	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Defense
Instructive documentation relating to products of military designation (design and operation)		Ministry of Defense, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Powder, explosive devices and pyrotechnics	360100000 (except for hunting powder), 360200000, 3603, 3604	Ministry of Internal Affairs
Industrial waste	2618-2620, 3915	Ministry of Ecology and Bio-Resources
Opium Raw Material	1211909	Ministry of Health Protection
Service and civil armaments	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Internal Affairs

Table A3.2 - List of goods, import whereof shall be carried out with the permission of the Government of the Republic of Kazakhstan

Name of Goods	Code of Commodity Nomenclature
Armaments and military equipment, special components for their manufacture, works and services in the sphere of military technology collaboration	871000000, 8802 (except for 880211100, 880212100, 880220100, 880230100, 880240100), 8803 (except for 880310100, 880320100, 880330100, 880390910), 880400000, (only the military designation), 8805 (except for 880520100, 890600100, 930100000, 930200, 9305 (only to combat arms), 9306 (except for 930610000, 930629100, 930629200, 930629100, 930629200, 930629400, 930630910, 930630930, 901310000 (only the military designation), 901320000 (only the military designation), 901380000 (only the military designation), 9014 (only the military designation), 8525 (only the military designation), 8526 (only the military designation)
Nuclear materials, technologies, equipment and installations, special non-nuclear materials, sources of radioactive radiation, including radioactive waste	2612, 2844, 2845, 380110000 (only nuclear pure graphite), 8401

**ANNEX 4****INFORMATION ON IMPLEMENTATION AND ADMINISTRATION  
OF THE CUSTOMS VALUATION AGREEMENT**

Attached to this Annex, please find articles 124, 125, 126, 127, 128, 131, 132, 133, 137, 138, and 149.4 of the Customs Code of Kazakhstan.

1. Questions concerning Article 1:

(a) Sales between related persons:

- (i) No, sales between related persons are not subject to special provisions.
- (ii) No, intercompany prices are not prima facie considered grounds for regarding the respective prices as being influenced.
- (iii) The provision for providing information in writing regarding the above is Article 126 of the Customs Code. (1)
- (iv) Article 1.2(b) has been implemented by Article 126 of the Customs Code.

(b) Price of lost or damaged goods:

Article 149.4 of the Customs Code provides that goods which have been damaged prior to clearance and have become unsuitable for use are exempt from Customs duty. Goods which have been lost are not presented for clearance and are therefore not subject to duty.

2. Articles 127 and 128 of the Customs Code allow the importer to reverse the order of the application of Articles 5 and 6 of the Valuation Agreement.

3. Article 5.2 of the Valuation Agreement has been implemented by Articles 127 and 131 of the Customs Code.

4. Article 6.2 of the Valuation Agreement has been implemented by Articles 127 and 132 of the Customs Code.

5. Questions concerning Article 7:

(a) The provisions for making valuation determinations pursuant to Article 7 of the Valuation Agreement have been implemented by Articles 127 and 133 of the Customs Code.

(b) The Customs Code is not explicit in providing that an importer shall be informed of the Customs valuation determined under Article 7 of the Valuation Agreement. However, it is implicit in Article 126 of the Customs Code wherein it is stated that, upon written request, Customs will provide to the importer the reason/s his declared value was not accepted and, where applicable, that valuation was done in accordance with Article 7. See the Attachment to this Annex for the text of referenced Customs Code articles.

(c) The prohibitions found in Article 7.2 of the Valuation Agreement are delineated in part but not wholly. Article 133 of the Customs Code precludes use of the methods specified in Article 7.2 (a), (e) and (g) but the methods specified in 7.2 (b), (c), (d), and (f) are not specifically excluded by this Article.

6. In regard to the options found in Article 8.2 of the Valuation Agreement, Article 128 of the Customs Code specifically includes transportation, handling, and insurance costs. There is no f.o.b. valuation application in Kazakhstan and thus no question as to the acceptance of ex-factory prices.
7. The rate of exchange for foreign currency is published in various official publications such as "Foreign Economic Activities", "Kazakstanskaya pravda", "Panorama", "Caravan", etc. and is available every day at the National Bank.
8. The confidentiality of information submitted by a declarant in respect of the valuation of imported goods is guaranteed by Article 124 of the Customs Code.
9. Questions concerning Article 11:
  - (a) An administrative appeal may be lodged with the Customs Administration and, if this does not provide satisfaction, to the appropriate judicial authorities of Kazakhstan.
  - (b) The right of an importer to appeal a Customs valuation decision is set out in Article 125 of the Customs Code.
10. Publication of the information required by Article 12 is as follows:
  - (a) Information regarding the national laws, regulations, administrative rulings and judicial decisions, and general or specific laws referred to in the rules of implementation are publicized in official journals, trade journals, official and private newspapers, and on national television. This would also be true of any similar measures necessary to implement the provisions of Article VII of the General Agreement on Tariffs and Trade of 1994.
  - (b) Publication of further rules is not anticipated at present.
11. Questions concerning Article 13:
  - (a) The obligation found in the last sentence of Article 13 of the Valuation Agreement are dealt with in Article 125 of the Customs Code which permits the withdrawal of goods before the final valuation determination if the estimated duties are paid or a bank guarantee given for their payment. Article 137 provides that an importer may get a deferral of or pay duties in instalments, while Article 138 provides that the payment of duties on a deferred basis may be secured by a pledge of the goods or a third party guarantee.
12. Questions concerning Article 16:
  - (a) The right to a written explanation of the value of imported goods when requested by the importer is provided in Article 126 of the Customs Code.
  - (b) Since this right is specifically provided for in the Customs Code no other regulations have been deemed necessary.
13. The Interpretative Notes have not been included in the Customs Code or any other regulations.
14. The valuation practices of the Government of Kazakhstan are in compliance with the Decision of 26 April 1984, i.e., interest charges incurred by the purchaser are not considered as part of the Custom value of the goods.

15. There has been no formal application of the Decision of 24 September 1984 regarding the valuation of carrier media bearing software for data processing equipment and its provisions are not set out in the Customs Code or any regulations but, in practice, the decision is applied to imports of media bearing software for ADP.

**Selected Articles from the Customs Code- Articles 124, 125, 126, 127, 128, 131, 132, 133, 137, 138, and 149.4**

**Article 124. Observance of Confidentiality of Information Concerning the Customs Value of Goods**

Information which is submitted by a declarant when declaring the customs value of goods, which is defined as constituting a commercial secret or which is confidential, may be used by the Customs Body exclusively for customs purposes and it may not be disclosed to third parties including any other state bodies without specific permission of the declarant, except for the cases which are stipulated by this Edict and legislation of the Republic of Kazakhstan.

**Article 125. The Rights And Obligations of a Declarant in Respect of Customs Value**

A declarant shall have the following rights:

to prove the reliability of information submitted for determining the customs value, where the Customs Body has doubts in respect of its reliability;

when a necessity arises to specify a customs value declared, to apply to a Customs Body of the Republic of Kazakhstan with the request to present to the declarant the declared goods for use under the guarantee of an authorized bank in accordance with legislation of the Republic of Kazakhstan, or to pay customs duties and taxes in accordance with the customs value of the goods as evaluated by the Customs Body of the Republic of Kazakhstan; in the case of a disagreement with the decision of the Customs Body of the Republic of Kazakhstan in relation to determining the custom value of goods, to challenge that decision in accordance with the procedure established by this Edict.

A declarant shall be obliged as follows:

to declare the customs value and to present information relating to its determination, based on reliable qualitatively measurable and documentary confirmed information;

where it is necessary to confirm the declared customs value in accordance with the requirements of the Customs Body of the Republic of Kazakhstan, to present to the latter the information which is required for such confirmation;

to make any additional expenditures which arise in relation to specifying the customs value declared by the declarant or to presenting to the Customs Body of the Republic of Kazakhstan of any additional information. In that respect, the extension of the period of customs processing of goods caused by conducting a customs valuation may not be used by a declarant to obtain actual deferment of payment of customs duties and taxes.

**Article 126. The Rights And Obligations of the Customs Body in Determining the Customs Value**

The Custom Body of the Republic of Kazakhstan which carries out customs processing of goods shall have the following rights:

to adopt decisions in respect of accuracy of the customs value of goods as stated by the declarant;

where information to confirm the accuracy of determining the customs value stated by a declarant does not exist, or where there are reasons to believe that information presented by a declarant are not reliable or sufficient, to independently assess the customs value of declared goods by consistent application of the methods for determining the customs value which are established in this Edict, on the basis of the information which is available to it (including price information relating to identical or similar goods) with adjustments made in accordance with this Edict.

The Customs Body of the Republic of Kazakhstan in pursuance of the written request of a declarant shall be obliged to present a written explanation of the reasons for which the customs value stated by the declarant may not be accepted by the Customs Body as the base for assessment of customs duties and taxes.

**Article 127. The Methods For Determining the Customs Value**

Determining the customs value of goods imported to the customs territory of the Republic of Kazakhstan shall be carried out by way of applying the following methods:

by using the transaction value of imported goods;  
by using the value of a transaction involving identical goods;  
by using the value of a transaction involving similar goods;  
by cost deduction;  
by cost addition,  
by the provisions method.

The method of determining the customs value of goods by using the transaction value of imported goods shall be the principal method.

In the case where it is impossible to use the principal method, each of the listed methods shall be used consecutively. In that respect, each subsequent method shall apply where the customs value may not be determined by way of using the preceding method. The method of deducting and adding costs may be used in any sequence.

**Article 128. The Method of Determining the Customs Value on the Basis of the Transaction Value of Imported Goods**

Price actually paid or price which is subject to payment for goods which are imported to the customs territory of the Republic of Kazakhstan, at the moment of their crossing of the Customs Boundary of the Republic of Kazakhstan shall be the customs value of the good.

When determining the customs value of goods, the transaction value shall include the following expenditures, unless they were 'included earlier':

1. expenditures associated with delivery of goods to the airport, port or any place of import of goods to the customs territory of the Republic of Kazakhstan:

cost of transportation;  
costs associated with loading, unloading, reloading and temporary storage of goods;  
insurance amount;

2. expenditures incurred by the buyer:

commission and brokerage fees, except for commission fees relating to the purchase of goods;  
price of containers or any other durable tare, provided the Commodity Nomenclature for Foreign Economic Activities handles them as one unit with the goods under valuation;  
cost of packing including the costs of packing materials and work associated with packing;

3. the appropriate part of costs of the following goods and services which were directly or indirectly supplied by buyers free of any charge or at a discount, for the use in relation to manufacture or export sale of the goods under valuation:

raw materials, consumables, components, semi-products and any other components which are a constituent part of the goods under valuation;

tools, dies, moulds and other similar objects which are used in the manufacture of the goods under valuation;

materials used in the manufacture of the goods under valuation (lubricants, fuel and any other);

engineering research, experimental and design work, designing, sketches and drawings made outside the territory of the Republic of Kazakhstan and which are directly required for the manufacture of the goods under valuation;

4. licensing fees or any other payments for the use of items of intellectual property which the buyer must effect directly or indirectly as a condition for selling of the goods under valuation;

5. the size of the share in direct or indirect income of the seller from any subsequent resale, transfer or use in the territory of the Republic of Kazakhstan of the goods under valuation.

The indicated method may not be used for determining the customs value of goods, where:

1. there are restrictions of the rights of the buyer in respect of the goods under valuation, except for the following:

restrictions established by legislation of the Republic of Kazakhstan; restriction of the geographic region in which the goods may be re-sold, restrictions which do not substantially impact the price of the goods,

2. sales and the value of transaction are related to observance of the conditions the influence whereof may not be controlled;

3. information used by the declarant when declaring the customs value is not confirmed documentary or are not qualitatively determinable and reliable;

4. participants of the transaction are inter-related entities, except for the cases where the inter-relation does not affect the price of the transaction, which must be proved by the declarant. In that respect, inter-related entities shall be understood to be entities which fall at least under one of the following categories:



participants of the transaction are co-owners of an enterprise, participants of the transaction are connected by labor relations;

one of the participants of the transaction is the owner of an investment (share) or holder of shares associated with voting rights in the charter capital of the other participant of the transaction, which constitute more than twenty per cent of the charter capital,

both participants of the transaction are under direct or indirect control by a third entity;

participants of the transaction together directly or indirectly control a third entity;

one of the participants of the transaction is under direct or indirect control by the other participant of the transaction;

participants of the transaction or their official persons are close relatives.

#### **Article 131. The Method of Determining the Customs Value on the Basis of Deducting Costs**

Determining customs value by the method of valuation based on cost deduction, shall be carried out in the case where the goods to be valued, identical or similar are to be sold without any changes of their initial condition.

When using the method of cost deduction as a basis for determining the customs value of goods, the price of a unit of the goods shall be used at which the largest consignments of the identical or similar goods under valuation are sold not later than 90 days from the date of import of the goods under valuation to the participant of the transaction which is not an entity related to the seller. The following components shall be deducted out of the unit price of goods:

1. expenditures on payment of commission fees mark-ups on profits and general expenditures relating to selling of goods of the same class and type;
2. amounts of import duties, taxes, levies and any other payments which are subject to payment in the Republic of Kazakhstan in relation to import or sale of the goods;
3. current expenses incurred in the Republic of Kazakhstan on transportation, insurance, loading and unloading operations.

If no precedent exists of selling of the goods under valuation, of identical or similar goods in the same condition in which they were at the moment of import, upon the request of the declarant the unit price of goods which underwent reprocessing may be used with adjustments relating to value added tax and in compliance with the provisions of the second and the third parts of this Article.

#### **Article 132. The Method of Determining the Customs Value on the Basis of Adding Costs**

When using the method of valuation by adding costs as the basis for determining the customs value of goods, one shall use the price of goods calculated by way of adding as follows:

1. cost of materials and expenditures incurred by the manufacturer in relation to manufacture of the goods under valuation,
2. general costs which are characteristics of sales to the Republic of Kazakhstan from the country of export of the goods of the same type, including expenditures on transportation, loading and reloading

operations, insurance to the place of crossing the customs boundary of the Republic of Kazakhstan, and any other costs;

3. profits which are usually derived by exporters as a result of supply to the Republic of Kazakhstan of such goods.

### **Article 133. The Provisions method of Determining the Customs Value**

In the cases where the customs value of goods may not be determined by the declarant by way of sequential application of the methods indicated in Articles 129 - 132 of this Edict for determining the customs value, or where the Customs Body not unreasonably believes that those methods of determining the customs value may not be used, the customs value shall be determined by the provisions method.

When using the provisions method, the Customs Body of the Republic of Kazakhstan in order to determine customs value, shall use the price information which is available at its disposal and which has been received as a result of independent expert evaluation (inspection) of consistency of the level of prices of the goods with their quality and quantity, and also its classification.

The following may not be used as bases for determining customs value of goods by the provisions method:

1. the price of goods in the domestic market of the Republic of Kazakhstan;
2. the price of the goods which are supplied from the country of its export to third countries;
3. the price of goods in the domestic market of the Republic of Kazakhstan for goods of Kazakstani origin;
4. arbitrarily established or reliably unsupported price of goods.

### **Article 137. Deferrals And Instalment Plans for Payment of Customs Duties And Taxes**

Upon the decision of the Customs Body of the Republic of Kazakhstan, which carries out the customs processing, unless it is otherwise stipulated in this Edict and legislation of the Republic of Kazakhstan, payers may be granted a deferral or an instalment plan for the payment of customs duties.

Neither deferrals nor instalment plans for the payment of customs duties may exceed three months from the date of acceptance of the customs declaration.

When a tax body grants a deferral or an instalment plan for the payment of customs duties, interest shall be levied in accordance with the official interest rate of refinancing established by the National Bank of the Republic of Kazakhstan.

Ensuring of the payment shall be carried out in accordance with the procedure stipulated in Article 138 of this Edict.

Deferrals and instalment plans for payment of taxes shall be carried out in accordance with tax legislation of the Republic of Kazakhstan.

**Article 138. Providing for Payment of Customs Duties And Taxes**

Payment of customs duties and taxes may be secured with the pledge of goods and transport vehicles, guarantees of third parties, or by depositing of amounts due.

Under pledge the pledged goods and transport vehicles shall remain with the pledger, unless the Customs Body of the Republic of Kazakhstan adopts any other decision.

A pledger shall not have the right to dispose of pledged items without consent of the Customs Body the Republic of Kazakhstan.

Registration or pledge and imposition of claims upon pledged items shall be carried out in accordance with legislation of the Republic of Kazakhstan concerning pledge.

Guarantees or authorized banks or of organizations which carry out separate types of banking transactions may be used as a security in payment of customs duties and taxes.

The procedure for using such guarantees shall be defined by the Central Customs Body of the Republic of Kazakhstan.

In the case or a failure to comply with the terms of guarantees, the Customs Body shall have the right not to accept as a security of payment of customs payments and taxes the guarantees of such banks or organizations which carry out separate types of banking transactions.

Amounts of tax payments and taxes which would be subject to payment should the goods be released for free circulation or exported in accordance with the customs regime for export, shall be deposited.

Interest shall not be assessed on deposits for the time of custody. The procedure for depositing amounts owing and of their refund shall be determined by the Central Customs Body or the Republic of Kazakhstan.

**Article 149. Exemption From Imposition of Customs Payments**

The following shall be exempt from imposition of customs duties:

1. transport vehicles which carry out regular international conveyance of freights, baggage and passengers, and also items of material and technical supplies and inventories, fuel, food and any other inventories which are required for their maintenance en route, in the places of transit stops, or assets purchased abroad in relation to liquidation of accidents (break-down) of those transport vehicles,
2. items of material and technical supplies and inventories, fuel, food and any other assets which are exported outside the territory of the Republic of Kazakhstan to provide for production activities of Kazakstani enterprises, Kazakstani or leased (chartered) vessels chartered by Kazakstani enterprises and organizations, which engage in sea trade and also production or their trade which is imported to the territory of the Republic or Kazakhstan, except for customs levies for customs processing,
3. the national currency, foreign currency (except for one used for numismatic purposes), and also securities in accordance with legislation of the Republic of Kazakhstan;

4. goods which as a result of damage prior to the clearance thereof through the customs boundary of the Republic of Kazakhstan became unsuitable for their use as items and inventories, except for customs processing fees;
5. goods which are imported into the customs territory of the Republic of Kazakhstan or exported from that territory as humanitarian aid in accordance with the procedure to be determined by the Cabinet or Ministers;
6. goods which are imported into the customs territory of the Republic of Kazakhstan or exported from that territory as charge-free aid or for charity purposes including rendering or technical assistance under agreements with governments, states, and international organizations.
7. goods which are exempt from the customs duties in accordance with legislation concerning foreign investments of the Republic of Kazakhstan, except for customs processing fees;
8. confiscated, ownerless assets and also assets which are transferred to the state under the right to inheritance;
9. goods which are imported and exported by the National Bank of the Republic of Kazakhstan;
10. goods which are transferred through the customs boundary of the Republic of Kazakhstan within the framework of the customs regimes which envisage exemption from imposition of customs payments;
11. goods which are transferred through the customs territory of the Republic of Kazakhstan by physical persons, which are not intended for production or any other commercial activities in accordance with Article 108 of this Edict.

## ANNEX 5

### INFORMATION ON TECHNICAL BARRIERS TO TRADE

Standards and certification in Kazakhstan are not intended to establish technical barriers to trade and disrupt trade. The main goals are to ensure safety, health, protection of property of citizens, and protection of the environment.

**1. Description of relevant laws, regulations, administrative orders, etc., relating to implementation and administration of technical barriers to trade.**

Kazakhstan's law "on Standardization and Certification", enacted 18 January 1993, is the main law governing standards and certification in Kazakhstan. Other related legislation include:

- Government Resolution (20 May 1993) No. 411 "On Stage-by-Stage Introduction of Compulsory Certification of Products in the Republic of Kazakhstan";
- Government Resolution (22 February 1996) No. 225 "On Approval of Provisions on State Committee on Standardization, Metrology, and Certification";
- Order "on Custom Control over Products subject to Compulsory Certification," dated January 1994; and
- Government Resolution (29 December 1995) No. 1891 "On Approval of the order of Destruction or further Reprocessing of Products in case of Recognizing them as not Suitable for Sale and Consumption."

Other indirectly related legislation includes the following laws:

- "On Protection of Consumer Rights," dated 5 June 1991;
- Government Resolution No. 637 "On Approval of the provision on state ecology expertise," dated 25 October 1991;
- "On Sanitary and Epidemiological well-being of Population," dated 23 March 1995;
- "On Protection of Environment," dated 24 June 1991; and
- "On Protection of the Health of Population in Kazakhstan," dated 10 January 1992.

The rules and procedures related to standardization and certification are publicly available and published in mass media.

#### **Law "On Standardization & Certification"**

According to Article 2, standards and certification in Kazakhstan are not intended to establish technical barriers to trade. The main goals are to:

ensure safety of products for protecting life and health of population and protection of the environment;

eliminate technical barriers to trade and ensure competitiveness of Kazakhstan's products in the world market;

provide for compatibility and interchangeability of products; and

meeting consumers interests related to quality.

The Law "On Standardization & Certification" stipulates that the State Body of the Republic of Kazakhstan on Standardization, Metrology, and Certification (GosStandard) is the only government body responsible for enforcing the law "On Standardization & Certification." including:

- adopting, abolishing, and amending standards;
- maintaining the list of standards and providing information regarding standards;
- accrediting domestic and foreign certification bodies to operate in Kazakhstan;
- supervising and imposing remedies in case of violations (e.g., fines; stoppage of production, and sale);
- establishing state system of standardization and certification;
- representing Kazakhstan in international organizations concerning issues related to standardization and certification; and
- negotiating agreements on standards and certification with other countries.

The law stipulates the development and application of the following categories of standards: interstate standards (GOST) and Kazakhstan state standards (ST RK). Interstate standards (GOST) are developed by the CIS Interstate Council on Standardization, Metrology, and Certification (CISGosStandard). Kazakhstan is a member of CISGosStandard. The development, approval, and registration of interstate standards is carried out in accordance with procedures established by intergovernmental agreement between CIS countries. Kazakhstan is a signatory of the CIS interstate agreement "On Conducting of Agreed Policy in the Field of Standardization, Metrology, and Certification," 13 March 1992. Article 1 of this agreement envisages harmonization of requirements of new GOST standards with international, regional, and leading national standards. Currently, most standards used in industry are GOST.

According to Article 8.1 of this law, Kazakhstan state standards are developed as result of advancement in domestic and foreign science and technology. Proposals for adoption, amendment, or abolishment of standards are normally prepared by technical committees. Currently, there are 14 sector-oriented technical committees in Kazakhstan which include producers, consumers, consumer associations, leading scientists and technical experts, scientific and engineering associations, various ministries and state bodies (e.g., Ministry of Health Protection-regulation of health indicators; Ministry of Ecology-Environmental Standards), and GosStandard and its regional bodies. Technical committees are responsible for drafting initial proposals and circulating them, via direct correspondence, to relevant state and private agencies for comments well in advance before these proposals are submitted to GosStandard for final approval. GosStandard approves adoption, amendments, or abolishment of state standards by issuing resolutions of GosStandard.

Domestic producers have the right to (i) produce according to international, regional and national standards of other countries (Article 10.2) and (ii) to produce according to their own technical

specifications (Article 8.4). In both cases, domestic producers must ensure that these standards do not contradict with GOST or Kazakhstan state standards. According to Article 10, production of goods without normative documents is prohibited. In addition, domestic producers must register technical conditions with GosStandard (Article 9.1 and 9.2)

According to Article 22, there are two types of product certification: compulsory & voluntary. Voluntary certification of products is performed on the initiative of the supplier (manufacturer or seller) or consumer of products to determine conformity to standards. Compulsory certification is required to ensure safety, life, and health of population; property of citizens; and protection of the environment. The list of product categories subject to compulsory certification is established by the Government. Government Resolution No. 411 provides such list. Article 23 states that Kazakstani producers may not sell in Kazakhstan their goods, which are subject to compulsory certification, without obtaining a certificate of conformity ("certificate"). In addition, goods requiring compulsory certification may not be imported without such certificate. Hygiene conclusion (result) is one of the requisites for obtaining the certificate for products requiring sanitary certification.

The regulations and procedures for conducting compulsory certification are not discriminatory.

GosStandard enacts procedures and requirements for certification and for accreditation of certification bodies and testing laboratories (Standard of the Republic of Kazakhstan No. 3.1-93, No. 3.2-94, No. 3.4-94, No. 3.3-94, and No. 3.0.94). Any local and foreign entity, regardless of form of ownership, may apply for accreditation to perform certification and testing (Article 3.4 of Standard No. 3.2-94). The requirements for accreditation are the same for foreign and local entities. As of 1 January 1996, there are 33 certification bodies and 207 testing laboratories in Kazakhstan.

According to the CIS Interstate Agreement on Standards, Metrology, and Certification, Kazakhstan honors certificates provided by state certification bodies of Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. In addition, there are five foreign companies accredited by GosStandard to issue certificates:

- Gas de France, France
- MertControl, Hungary
- Société Générale de Surveillance (SGS), Switzerland
- TUF Rheinhold Holding AG, Germany
- Turkish Institute of Standards, Turkey

GosStandard has 19 regional bodies (one in each of the 19 regions of Kazakhstan) responsible mainly for supervision-related activities. Thirteen of these regional bodies are accredited to provide certification. Regional bodies may participate in the activities of technical committees to develop new standards. However, only central GosStandard may approve adoption, abolishment, and amendment.

GosStandard maintains one list of all accredited testing and certification bodies in Kazakhstan, all foreign accredited certification companies, and accredited regional bodies of GosStandard. Importers may contact GosStandard to obtain such list.

**Government Resolution No. 411**

Government resolution No. 411 provides a list of all product categories subject to compulsory certification to ensure safety, health, protection of property of citizens and the environment. This list covers all products requiring certification to meet product standards, sanitary standards, and environmental standards:

1. Products for children;
2. Drinking water;
3. Food products, products of agriculture and feeding industry;
4. Medical equipment;
5. Pharmaceuticals and medical plantations;
6. Consumer goods that have contacts with skin, food products, and drinking water;
7. Fuel raw materials;
8. Household chemicals;
9. Perfume and cosmetics;
10. Toxic chemical and mineral fertilizers;
11. Products of machinery building and instrument making for household;
12. Agricultural machinery;
13. Road and construction machinery;
14. Means of individual self-defense;
15. Electric, radiotechnical and electronic items concerning testing electromagnetic compatibility and safety;
16. Construction materials and construction components;
17. Communications means;
18. Substances, materials, and goods composed of them which have the potential for fire-explosion safety;
19. Aircraft, their components and maintenance;
20. Civil sea ships, river and small size ships, ship refrigerators, lifting tackles and containers, and materials and items used in ship building;
21. Rolling-stock, railway tracks, power engineering equipment, alarm systems, and communication means;



22. Automobile transport;
23. Mining equipment, mine electrical items, explosive materials and means for explosion works, high pressure vessels, and lifting machines and
24. Equipment included into the systems of nuclear power plants and production (manufactures) of potential danger.

Sale of these products in Kazakhstan without a certificate is prohibited, regardless whether they are domestically produced or imported.

GosStandard issued resolution No. 1 on 31 January 1995 to implement government resolution No. 411. Resolution No.1 provides a detailed list of products in HS nomenclature for compulsory certification based on product categories provided by Government Resolution No. 411.

### **Government Resolution No. 255**

Government resolution No. 255 approves provisions on GosStandard. These provisions describe in details tasks, functions, rights, obligations, and structures of GosStandard.

### **Order on Custom Control over Products subject to Compulsory Certification**

This order is an agreement signed between the Customs Committee, the State Sanitary Inspection, and GosStandard.

The order stipulates that all products, subject to compulsory certification, imported to Kazakhstan shall be controlled by the customs. One of the following documents should be provided to the customs for the importation of goods requiring compulsory certification:

- Certificate of GosStandard issued by an accredited Kazakstani certification body;
- Certificate provided by any of the state certification bodies of Armenia, Azerbaijan, Belarus, Georgia, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan;
- Certificate provided by foreign certification bodies accredited by GosStandard; or
- Application-Declaration form which may be filed by the importer if the imported goods do not have a certificate. The importer may clear the imported goods from customs but must initiate the certification process within ten days and does not have the right to sell these goods until the certificate is granted.

If the importer opts not to file an Application-Declaration form, then goods must be kept in customs storage warehouses at a fee until the importer obtain a certificate from any of the accredited certification bodies. Samples may be withdrawn for testing. Goods may remain in Customs storage warehouses for a maximum period of 3 years.

### **Government Resolution No. 1891**

If the imported product is proven not to correspond to standards and is considered to be of potential danger, then a special commission is established to decide whether the product should be 1) reprocessed, 2) destroyed, or 3) shipped back to the country of origin. Decisions made by the

commission may be appealed by the importer. During such period, the goods must remain under customs supervision and the importer must pay required storage fee.

However, a decision to immediately destroy the goods may be taken if its storage is proven to be dangerous because of sanitary reasons, if there is not adequate storage facilities, or if the product cannot be held in storage without further damage.

### **Other Related Legislation**

The law “On Sanitary and Epidemiological well-being of Population” and the law “On Protection of the Health of Population in Kazakhstan” authorize the Ministry of Health Protection to (i) develop, approve, and supervise the observation of sanitary and hygiene norms and rules, (ii) agree on state standards and technical conditions related to sanitary, before they are adopted by GosStandard, and (iii) to ensure sanitary-epidemiological well-being of population. The law requires that sanitary and hygiene norms and rules be published and distributed. New norms must be published in the mass media within one month after their introduction.

Also, the law “On Protection of Environment” authorizes the Ministry of Ecology to develop and approve rules, regulations, and standards regarding environmental protection. However, the adoption of standards related to health and environment is conducted by GosStandard in agreement with the Ministry of Health and the Ministry of Ecology respectively.

The law “On Consumer Protection” stipulates that consumers and consumers associations have the right to participate in the development of standards. In addition, it states that consumers have the right to have safe and quality products and access to full and trustworthy information about products.

## **2. Information regarding:**

### **(a) names of publications, if any, on work relating to draft technical regulations or standards and procedures**

Kazakhstan has several publications on work related to the drafting of technical regulations, standards, and procedures. These publications are issued by GosStandard in a special bulletin named “News of GosStandard” and in a periodical “Information Handbook of Kazakhstan Standards.” In addition, Kazakhstan Society of Consumers produces similar publications.

### **(b) the name and address of the enquiry point(s) foreseen in Articles 10.1 and 10.3 of the WTO Agreement on Technical Barriers to Trade (the Agreement) with an indication as to whether it is/they are fully operational**

Article 12 of the law “on Standardization and Certification” stipulates the establishment of the State Fund of Normative Documents at GosStandard. Its functions include the following: maintenance of documentation on standards and technical conditions; acquisition and storage of international and regional standards, regulations and recommendations on standardization, metrology and certification; acquisition of national standards of foreign countries; and providing information on Kazakstani and foreign standards. The fund has 28,500 normative documents, of which 4,700 are international standards. This enquiry point has been established and is operational and responsible for responding to all inquiries by local entities and foreign entities and countries and providing relevant documents as described in Articles 10.1 and 10.3 of the WTO Agreement to Trade.

The address and phone/fax numbers of GosStandard is:

State Fund of Normative Documents  
Kazakhstan Committee on Standardization, Metrology & Certification  
83 Altynsaryn street, Almaty 480035

Phone: (7/8) 3272 21 08 08 (7 from outside CIS and 8 from inside CIS)

Fax: (7/8) 3272 28 68 22 (7 from outside CIS and 8 from inside CIS)

**(c) the name and address of the agency dealing with consultations as foreseen in Article 14 of the Agreement**

The organization listed in paragraph (b) --GosStandard-- deals with consultations as foreseen in Article 14 of the WTO Agreement on Technical Barriers to Trade.

**(d) the name and address of agencies that are dealing with other specific functions foreseen in the Agreement**

The organization listed in paragraph (b) --GosStandard-- may execute other specific functions provided for by the WTO Agreement on Technical Barriers to Trade.

**(e) the scope of responsibility of the central government authorities in the area of notification requirements foreseen in Article 10.11 of the agreement and of individual government authorities, if the responsibility is divided among two or more such authorities**

GosStandard is the sole central government authority responsible for notification procedures foreseen in article 10.11 of the WTO Agreement on Technical Barriers to Trade.

**(f) measures and arrangements to ensure that national and sub-national authorities preparing new technical regulations or substantial amendments to existing ones, provide early information on their proposals.**

Proposals for adoption, amendment, or abolishment of standards are prepared by technical committees. Technical committees produce annual plans for preparing new standards or amending existing ones. These plans are approved by GosStandard and circulated to all members of technical committees and all concerned institutions.

Technical committees in the Republic of Kazakhstan include representatives from producers, consumers, consumer associations, leading scientists and technical experts, scientific and engineering associations, and GosStandard and its regional bodies. Technical committees are responsible for drafting initial proposals and circulating them, via direct correspondence, to relevant state and private agencies for comments well in advance before these proposals are submitted to GosStandard for final approval. GosStandard approves adoption, amendments, or abolishment of state standards by issuing resolutions of GosStandard.

In addition, proposals are published in relevant publications. See section 2 (a) above.

## **ANNEX 6**

### **INFORMATION ON STATE-TRADING**

The Government of Kazakhstan does not maintain enterprises covered by the provisions of Article XVII and the understanding on the interpretation of Article XVII of GATT 1994. The government of Kazakhstan does not grant to any private or state enterprise, including marketing boards, exclusive or special rights or privileges, including statutory or constitutional powers, in the exercise of which they influence through their purchases or sales the level or direction of imports or exports. State and private trade enterprises operate in a non-discriminatory and competitive market environment. There are no import or export companies that have exclusive rights, except companies, authorized by the government to trade in military and nuclear related materials and precious metals, the activities of which fall under the exceptions of Article XXI and XX of GATT 1994.

In addition, the Law on Development of Competition and Restriction of Monopolistic Activity (Article 6 and Article 8), adopted 11 June 1991, prohibits state and administrative bodies from restricting competition in the market.

Licenses are required for the import and export of a limited set of products (cf. section IV.1.f and IV.2.d). Any economic entity may apply to obtain these licenses.

## ANNEX 7

## SERVICES

## I. BUSINESS SERVICES

## 1. Professional Services

Type of Services	Licensing Requirements	Qualification Requirements
a) Legal services	Ministry of Justice: advocate services	<p>Law “On Introducing Amendments and Additions to the Regulation of the KazSSR Bar” dated 28 June 1991.”</p> <p>Article 12: - “Advokats” able to appear before courts on behalf of clients: tertiary level diploma in law, two years practice experience, and licensing examination. Persons, however, who have previously worked as Advokats, judges, investigators, public prosecutors, state prosecutors or who hold a juris doctorate are exempt from the licensing examination.</p> <p>- Individuals who have been convicted of a crime or a misdemeanour which, in the discretion of the Bar, is inconsistent with the role or stature of an Advokat.</p> <p>- Advokats, and their assistants, are not allowed to serve in state or public institutions and to concurrently privately practice law.</p>
b) Accounting, auditing and bookkeeping services	Ministry of Finance: auditing	<p>Law “On Auditing Activities in The Republic of Kazakhstan “ dated 18 October 1993:</p> <p>- Article 2: Requirements for Registration of Auditing Firms and Auditors (both foreign and domestic):</p> <p>- Qualification Certificate (valid for 5 years) from the Qualification Committee of the Ministry of Finance</p> <p>- Auditors must take an exam organized by the Chamber of Auditors in order to be certified by the Ministry of Finance.</p> <p>- Article 4: Auditors and their assistants may not serve in state bodies and public organizations except in state research and teaching institutions . Persons who have been convicted of white collar crimes may not perform auditing activities.</p>

Type of Services	Licensing Requirements	Qualification Requirements
		- Article 8: certification requirements include tertiary or secondary education and economic, financial, accounting, or legal experience.
<b>c) Taxation services</b>	None	Not stipulated by any legislation
<b>d) Engineering services</b>	Ministry of Construction, Housing, and Building: design, research, expert, and construction and installation operations, operations associated with production of building materials, items, and modules (sanitary and ecological expertise are required)	Law “On Architecture and Urban Planning in the Republic of Kazakhstan” dated 22 October 1993: - Article 293: confirmation of architectural urban-planning documentation; permission from local bodies on architecture and urban-planning.
<b>e) Architectural services</b>	Same as under d above	Same as under d above
<b>f) Integrated engineering services</b>	Same as under d above	Same as under d above
<b>g) Urban planning and landscape architectural services</b>	Same as under d above	Same as under d above
<b>h) Medical and dental services</b>	Ministry of Health Protection: medical activities	Law “On Protection of the Health of Population in the Republic of Kazakhstan” dated 10 January 1992 (Article 39) : clinical training; diploma from a licensed tertiary level medical or special educational institution, or a Kazak accredited foreign medical institution.
<b>i) Veterinary services</b>	Ministry of Agriculture: veterinary services	President Decree, having force of Law “On Veterinary medicine“ of 25 July 1995 (Article 5) : high or special veterinary secondary education.
<b>j) Services provided by midwives, nurses, physiotherapists and paramedical personnel</b>	Same as under h above	Same as under h above

Accreditation system has so far been established for medical and dental services and services provided by midwives, nurses, physiotherapists, and paramedical personnel.

**2. Computer and related services**

<b>Type of Services</b>	<b>Licensing Requirements</b>	<b>Qualification Requirements</b>
<b>a) Consultancy services related to the installation of computer hardware</b>	None	Not stipulated by any legislation
<b>b) Software implementation services</b>	None	Not stipulated by any legislation
<b>c) Data processing services</b>	None	Not stipulated by any legislation
<b>d) Data base services</b>	None	Not stipulated by any legislation

**3. Research and development services**

<b>Type of Services</b>	<b>Licensing Requirements</b>	<b>Qualification Requirements</b>
<b>a) R&amp;D services on natural sciences</b>	None	Not stipulated by any legislation
<b>b) R&amp;D services on social sciences and humanities</b>	None	Same as under a above
<b>c) Interdisciplinary R&amp;D services</b>	None	Same as under a above

**4. Real estate services**

<b>Type of Services</b>	<b>Licensing Requirements</b>	<b>Qualification Requirements</b>
<b>a) Involving own or leased property</b>	None	Not stipulated by any legislation
<b>b) On a fee or contract basis</b>	None	Not stipulated by any legislation

**5. Rental/Leasing services without operators**

Type of Services	Licensing Requirements	Qualification Requirements
<b>a) Relating to ships</b>	None	Not stipulated by any legislation
<b>b) Relating to aircraft</b>	None	Not stipulated by any legislation
<b>c) Relating to other transport equipment</b>	None	Not stipulated by any legislation
<b>d) Relating to other machinery and equipment</b>	None	Not stipulated by any legislation

**6. Other business services**

Type of Services	Licensing Requirements	Qualification Requirements
<b>a) Advertising services</b>	None	Not stipulated by any legislation
<b>b) Market research and public opinion polling services</b>	None	Not stipulated by any legislation
<b>c) Management consulting services</b>	None	Not stipulated by any legislation
<b>d) Services related to man. consulting</b>	None	Not stipulated by any legislation
<b>e) Technical testing and analysis services</b>	State Committee on Standardization, Metrology and Certification : marketing and leasing of measurement instruments. (sanitary expertise is required)	Not stipulated by any legislation
<b>f) Services incidental to agriculture, hunting and forestry</b>	Ministry of Ecology and Bio-Resources-Hunting Committee On Forestry: forest resources (ecological expertise is required)	Law "On protection, re - production and usage of animal world" of 21 October 1993 (article 40) : passing test for hunting card
<b>g) Services incidental to fishing</b>	Ministry of Ecology and Bio-Resources: fishing (ecological expertise is required)	Not stipulated by any legislation
<b>h) Services incidental to mining</b>	Government-Mining Administration of Oblast : mining of explored resources (Sanitary, ecological, and mining expertise are required)	Not stipulated by any legislation



Type of Services	Licensing Requirements	Qualification Requirements
<b>i) Services incidental to manufacturing</b>	<ul style="list-style-type: none"> <li>- Ministry of Industry and Trade : processing of raw minerals (Mining expertise is required)</li> <li>- State Inspectorate for Supervision of Rational Use of Ferrous and Non-Ferrous Metals : procurement, storage, processing and marketing by legal entities of scrap and ferrous and non-ferrous metals waste.</li> </ul>	Not stipulated by any legislation
<b>j) Services incidental to energy distribution</b>	Ministry of Energy and the Coal Industry : transmission and distribution of electric and thermal energy.	Not stipulated by any legislation
<b>k) Placement and supply services of personnel</b>	None	Not stipulated by any legislation
<b>l) Investigation and security</b>	Ministry of Internal Affairs : rendering by non-governmental entities of legal services relating to detective and security activities	Not stipulated by any legislation
<b>m) Related scientific and technical consulting services</b>	None	Not stipulated by any legislation
<b>n) maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment)</b>	<ul style="list-style-type: none"> <li>- Ministry of Energy and Coal Industry : repair of boilers, vessels and pipelines which operate under pressure; repairs of explosion-protective electric equipment (mining expertise is required)</li> <li>- Ministry of Construction, Housing and Building : repair of passenger elevators (mining expertise is required)</li> </ul>	Not stipulated by any legislation

Type of Services	Licensing Requirements	Qualification Requirements
	<ul style="list-style-type: none"> <li>- Ministry of Industry and Trade : repair of chemical, drilling, mining equipment, equipment and control systems, safety and alarm systems; lifting devices.(ecological and mining expertise are required)</li> <li>- Ministry of the Oil and Gas Industry : repair of oil and gas- related equipment; repair of gas systems for housing and utility facilities (mining expertise is required)</li> <li>- Ministry of Geology and Protection of the Subsurface : repairs of geological prospecting equipment (mining expertise is required)</li> <li>- State Committee on Standardization, Metrology and Certification : repair of measurement instruments (sanitary expertise is required)</li> </ul>	
<b>o) Building - cleaning services</b>	None	Not stipulated by any legislation
<b>p) Photographic services</b>	None	Not stipulated by any legislation
<b>q) Packaging services</b>	None	Not stipulated by any legislation
<b>r) Printing, publishing</b>	None	Not stipulated by any legislation
<b>s) Convention services</b>	None	Not stipulated by any legislation

## II. COMMUNICATION SERVICES

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Postal services</b>	Ministry of Transport and Communications : activities in the sphere of postal communications except for technological and inside business designation as well as courier services; operation of national main and international communication lines (ecological expertise is required).	Not stipulated by any legislation
<b>2. Courier services</b>	None	Not stipulated by any legislation
<b>3. Telecommunication services</b>	Ministry of Transport and Communications : telecommunication services; operation of main national and international lines of telecommunications (ecological expertise is required).	Not stipulated by any legislation
<b>a) Motion picture and video tape production and distribution services</b>	None	Not stipulated by any legislation
<b>b) Motion picture projection services</b>	None	Resolution of Government "On rules of public demonstration of motion picture and video production in the Republic of Kazakhstan" of 5 July 1995 (article 1): certification on permission of release of motion pictures and video production.
<b>c) Radio television services</b>	None	Not stipulated by any legislation
<b>d) Radio television transmission services</b>	Ministry of Transport and communications : utilization of radio frequency range (sanitary expertise is required)	Not stipulated by any legislation
<b>e) Sound recording</b>	None	Not stipulated by any legislation

Communication services constituted approximately 1.0% of GDP in 1994 and 2% in 1995. There are more than 600 companies in this sector. About 2% of the workforce is employed in communications services.

## 1. Postal services

The Republican State Enterprise of Postal Communications owns and operates the national postal system. Tariffs for main types of services are established by Anti-Monopoly Committee according to Government Resolution No. 1171 dated 19 October 1994.

The infrastructure of the Republican State Enterprise of Postal Communication is highly developed throughout the whole country. The total number of post offices is 4355. They provide all types of postal services both within and across the borders of Kazakhstan. The main services include:

- correspondence delivery (letters, post cards, business correspondence, registered mail);
- distribution of papers and magazines;
- parcel and courier services;
- delivery(mailing) of pensions and remittances;
- distribution of telegraph messages; and
- express mail within the Republic of Kazakhstan, and to China and Kyrgyzstan.

In general, the speed of processing and distributing mail corresponds to international standards. Table A7.1 shows the volume of main correspondence handled by the postal services during 1994 and the first half of 1995. Information on express mail packages is not available.

Table A7.1 - Types of Correspondence (Millions) for 1994 and first half of 1995

Type of Correspondence	1994	1995
Letters	69.8	51.0
Newspapers & Magazines	257.6	165.3
Parcels	0.6	0.5
Remittances and Pensions	23.6	21.8
Cables	6.8	6.8

## 2. Courier services

There are 7 state, 6 private, and 5 foreign companies rendering parcel and courier services throughout Kazakhstan. Companies like DHL, UPS, Pony Express, TNT, AseExpress dominate in international courier services.

## 3. Telecommunication services

The telecommunications sector has been deregulated in Kazakhstan. The National Joint Stock Company "Kazaktelecom" owns the telecommunications network. Kazaktelecom has 35 subsidiaries of which 31 render telecommunication services. The Anti-Monopoly Committee sets the tariff rates for telecommunication services.

All other telecommunications companies have equal access to the network to provide their services. The Ministry of Transportation and Communication has issued licenses to 46 companies rendering different types of telecommunication services.

Several foreign companies (Australian, Canadian, French, German, Turkish, and US) currently have contracts and formed joint ventures to modernize and expand the telecommunications infrastructure in Kazakhstan and to provide various types of telecommunication services. Kazakhstan's goal is to meet OECD standards (40 lines per 100 inhabitants). Currently, there are 20 satellite earth stations in Kazakhstan.

The most prominent telecommunication services in Kazakhstan are the following:

**a. Voice telephone services**

Local telephone services are mostly provided by the local subsidiaries of "Kazaktelekom." In addition, there are 5 private companies rendering local telephone services and 1 private company rendering international calls. Automatic long distance, including international, communication is available in major cities. The telephone density is 13.2 per 100 people. The number of long distance calls made in 1994 and 1995 was approximately 125.9 million (1.8 million international) and 127.7 million (3.0 million international) respectively.

**b. Telex services and teletype services**

There are more than 3,000 users of telex and teletype services (both internal and international) in the country.

**c. Telegraph services**

All major post offices have the capabilities to send cables to all countries. In 1994, approximately 6.8 million telegrams were sent. A similar number of telegrams was also sent in 1995.

**d. Facsimile services**

Many post offices, hotels, business centres, and other private entities provide facsimile services. Regular phone lines may be used for facsimile transmission.

**e. Installation, operation, maintenance of radiotelephone systems, mobile communication systems, paging systems.**

There are 7 local and 3 joint venture companies rendering such services. The demand for cellular telephone communications is growing very rapidly in Kazakhstan. There are two joint ventures with foreign participation rendering cellular communication services.

**f. Electronic mail**

There are more than 10 companies, mostly foreign, in Kazakhstan providing electronic mail services via the Internet. Such services are only provided in large cities.

With the modernization of the telecommunication network, new types of telecommunication services like those listed below are becoming available gradually in Kazakhstan:

- Packet-switched data transmission services;

- Circuit-switched data transmission;
- Private leased circuit services;
- Voice mail;
- On-line information and data base retrieval;
- Electronic data interchange (EDI);
- Enhanced/value added facsimile services, incl. store and forward, store and retrieve;
- Code and protocol conversion; and
- On-line information and/or data processing (including transaction processing).

**4. Audio-visual services.**

**a. Motion-picture and video tape production and distribution services.**

There are 19 studios (1 state and 18 private) producing local movies. There are at least 29 companies distributing foreign and local films and videotapes.

**b. Motion-picture projection service**

There are 221 movie theaters in Kazakhstan. In 1995, more than 6 Million attended movie theaters.

**c. Radio television services**

There is a wide network of radio and television broadcasting in Kazakhstan. In addition to state radio and television, there are at least 30 private television and radio companies, some of which have 24-hour broadcast. Advertising services are the main services provided by private and public radio and TV stations

Satellite television services are also provided in big cities including access to more than 20 international programs (e.g., CNN, BBC, Pakistani TV, Canal France International, India TV, Turkish International TV, Star TV, Sport TV, and MTV). There are five companies in Kazakhstan providing satellite TV services.

**d. Radio television transmission services**

Radio and television transmission services are provided by state and non-state networks of radio television companies. Kazakhstan possesses a relatively well developed network of relaying stations linking it to all countries of CIS including 8 radio and television transmission services (5 private and 3 state).

A telecommunications consortium has been established to implement an US\$ 29 Million project aimed at establishing a national satellite system of television, broadcasting, transmission of data.

Transmission potential is described in the following table:

Table A7.2

Transmission	1994	1995 (first six months)
Number of main radio relay units	2,953,791	2,769,294
Receiving stations of satellite TV (units)	1,336	1,424
Radio stations of USW 4M broadcasting	134	145

**e. Sound recording**

Services in the sphere of sound recording are provided by state television and radio companies and a well-developed network of non-state recording studios. There are about 1000 small and large recording studios throughout the country.

**III. CONSTRUCTION AND RELATED ENGINEERING SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. General construction work for building</b>	same as under I.1.d above	same as under I.1.d above
<b>2. General construction work for civil engineering</b>	Ministry of Construction, Housing and Building: construction work associated with gasification of residential and utility facilities (mining expertise is required).	Same as under I.1.d above
<b>3. Installation and assembly work</b>	Ministry of Construction, Housing and Building : installation of oil and gas, geological prospecting, and mining equipment (mining expertise is required); installation of gas services to residential and utility facilities; installation of passenger elevators (mining expertise is required)	Same as under I.1.d above
<b>4. Building completion and finishing work</b>	None	Not stipulated by any legislation

**IV. DISTRIBUTION SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Commission agents' services</b>	None	Not stipulated by any legislation
<b>2. Wholesale trade services</b>	None	Not stipulated by any legislation
<b>3. Retailing services</b>	None	Not stipulated by any legislation
<b>4. Franchising</b>	None	Not stipulated by any legislation

**V. EDUCATIONAL SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Primary education services</b>	None	Law "On Education in the Republic of Kazakhstan" of 18 January 1992 (Article 27): special training and education.
<b>2. Secondary education services</b>	Ministry of Education : activities of educational institutions which provide secondary and secondary vocational education with the right to issue diplomas in specific professions.	Same as under 1 above
<b>3. Tertiary Level education services</b>	Ministry of Education : activities of educational institutions which provide higher education with the right to issue diplomas in specific professions	Same as under 1 above
<b>4. Adult education</b>	None	Not stipulated by any legislation

**VI. ENVIRONMENTAL SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Sewage services</b>	None	Not stipulated by any legislation
<b>2. Refuse disposal services</b>	None	Not stipulated by any legislation
<b>3. Sanitation and similar services</b>	Ministry of Health Protection: disinfecting, deodorizing of residential and civil facilities (sanitary expertise is required).	Not stipulated by any legislation



**VII. FINANCIAL SERVICES**

<b>Type of Services</b>	<b>Licensing Requirements</b>	<b>Qualification Requirements</b>
<b>1. All insurance and insurance related services</b>	State Insurance Supervision: direct insurance activities	President Decree, having force of Law "On Insurance" of 3 October 1995: <ul style="list-style-type: none"> <li>- Article 43: registration as insurance company; minimal charter fund is 40,000 times monthly evaluation index</li> </ul>
<b>c) Reinsurance and retrocession</b>	Same as under 1 above	Not stipulated by any legislation
<b>d) Services auxiliary to insurance (including broking and agency services)</b>	None	Not stipulated by any legislation
<b>2. Banking and other financial services (excl. insurance)</b>	National bank : banking activities, activities of clearing and settlement organization, performance of transactions associated with foreign currency, which are considered in accordance with the legislation as currency transactions.	President Decree, having force of a Law "On Banks and Bank Activity in the Republic of Kazakhstan" of 31 August 1995: <ul style="list-style-type: none"> <li>- (Article 1) Permission of National Bank and state registration as a bank at the Ministry of Justice;</li> <li>- (Article 12) joint-stock company form (without right to issue bearer stocks) for a bank (except state bank).</li> <li>- Minimal charter fund for all banks is US\$ 3 Million; For investment bank is US\$ 4.6 Million</li> <li>- Leading bank employees must have high education and sufficient knowledge of banking and economic legislation. They must not have any current conviction and should not have a history of managing an enterprise that became bankrupt or managing a bank whose license was revoked due to failure to comply with legal requirements.</li> <li>- Chairman of the board of directors and his deputies, the General Bookkeeper and his deputies, and the First Chairman and Bookkeeper of a branch are appointed with the consent of the National Bank and as a rule must have more than two years length of service in banking</li> </ul>

Type of Services	Licensing Requirements	Qualification Requirements
<b>g) Participation in issues of all kinds of securities, incl. under-writing and placement as agent and provision of service related to such issues</b>	National Securities Commission : professional activities in the securities market and activities of Stock Exchanges; manufacture and import securities papers	President Decree, having force of a Law “On Securities and Stock - Exchange in the Republic of Kazakhstan“ of 21 April 1995 (Article 17) : registration of securities; examination of documentation; (Article 32) Minimal charter fund : 10,000 times monthly evaluation index.
<b>j) Settlement and clearing services for financial assets, incl. securities, derivative products, and other negotiable instruments</b>	Same as under g above	Same as under g above

Financial services in Kazakhstan encompass banking, insurance, hard currency exchanges, and stock markets.

#### **1. All insurance and insurance related services.**

The insurance market in Kazakhstan is a relatively new and developing market. The legal base for this sector consists of the following laws and regulations:

- Decree of the President having the force of law of 3 October 1995 “On Insurance”;
- Civil Code of the Republic of Kazakhstan of 27 December 1994;
- Decree of the President having the force of law of 2 May 1995 “On Economic Partnerships”;
- Decree of the President having the force of law of 15 June 1995 “On Medical Insurance of Citizens”;
- Decree of the President having the force of law of 17 April 1995 “On Licensing”;
- Resolution of the President of 17 April 1995 No. 2201 “On Measures on Implementation of the Decree the President having the force of law ‘On Licensing’”;
- Resolution of the President of 15 June 1995 No. 2330 “On Measures for Implementation of the Decree of the President having the force of law ‘On Medical Insurance of Citizens’”;
- Resolution of the Government of 29 December 1995 No. 1894 “On Implementation of the Resolution of the President of 17 April N 2201 “On measures on Implementation of the Decree of the President having the force of law ‘On Licensing’”;
- Resolution of the Government of 19 December 1995 No. 1803 “On State Insurance Supervision Body”; and

- Resolution of the Government “On approval of regulation on licensing of insurance activity on the territory of Kazakhstan” of 19 April 1996; No. 478.

The Decree “On Insurance” opened competition in the insurance sector of Kazakhstan and permitted foreign insurance companies to form joint ventures (maximum foreign participation is limited to 50%).

The Decree prohibits granting any company, regardless of its form or type of ownership, exclusive rights in the insurance business.

After registration as a legal entity at the Ministry of Justice, insurance activities must be licensed. The minimum charter capital required for registering an insurance company is 40,000 times the monthly evaluation index. Insurance licenses are applied for, and granted by, the State Body for Supervising Insurance (Gosstrahnadzor) which is an independent entity supervising insurance activities in Kazakhstan.

According to the law “On Insurance,” there are two types of insurance (personal and property) which require separate licenses. Personal insurance includes health, life, and disability insurance; and property insurance includes commercial risks and civil and legal liabilities. In addition, insurance may be voluntary or mandatory.

The following insurance-related activities do not require licenses:

- activities of insurance agents and brokers;
- activities connected with evaluation of insurance risks, damage assessment, and insurance compensation; and
- consulting services in the insurance field.

Currently there are 53 insurance companies registered and licensed in Kazakhstan and one joint venture with foreign participation. The total charter capital of all local companies is currently equal to US\$ 6.2 Million. The total amount of insurance premiums paid in 1995 was approximately US\$ 10 Million and the total amount of paid insurance claims in 1995 was equal to US\$ 3 Million.

**a. Life, accident, health, commercial, and political insurance services**

Insurance companies in Kazakhstan offer the following types of services: life, accident, health, and commercial insurance. Article 43 of the “Insurance Law” prohibits companies engaged in life insurance activities from engaging in other types of insurance activities.

The largest quantity of insurance policies purchased in Kazakhstan include the following: commercial risks and credits; property; transport; cargo, property of individuals against catastrophic events, fire and burglary; voluntary medical. Types of insurance such as product liability, environmental, and malpractice (doctors, lawyers, other professional activities) have started to develop.

There are no domestic companies offering political risk insurance. However, investors in Kazakhstan may purchase insurance of political risk from either an international commercial insurance company or from World Bank MIGA.

**b. Reinsurance and retrocession**

Foreign re-insurance brokers are permitted to have representative offices, branch offices or fully-owned subsidiaries in Kazakhstan. Licenses are not required for re-insurance brokers. According to the law “On Insurance,” risk can be reinsured by foreign or local re-insurers but there is a compulsory 5% risk retention in Kazakhstan. In other words, no more than 95% of risk may be re-insured on the international markets.

Currently, there are several foreign re-insurance brokers operating in Kazakhstan including Sedgwick Ltd., Johnson and Higgins Ltd., Alexander Howden Ltd., and “Willis Carana.”

**c. Services auxiliary to insurance (including broking and agency services)**

It is estimated that there are more than 300 insurance brokers and agents in Kazakhstan. Licenses are not required for insurance agents and brokers.

**2. Banking and other financial services (excluding insurance)**

Currently, the banking sector is the most developed financial service in Kazakhstan. Banking activities are governed by the following laws:

- the Constitution, dated 30 August 1996;
- the Civil Code, dated 27 December 1994;
- President Edict No. 2446 “On Banks and Banking Activities,” 31 August 1995 and its amendments of 27 January 1996;
- President Edict No. 2155 “On the National Bank of the Republic of Kazakhstan,” 30 March 1995 and its amendments of January 1996; and
- “The Rules of Hard Currency Transactions” of the National Bank, No. 188, 24 November 1994 and its amendments.

A two-tier banking system exists in Kazakhstan: the National Bank of Kazakhstan (NBK) represents the upper tier and all other banks represent the lower tier of the banking system.

**Upper-Tier: The National Bank of Kazakhstan (NBK)**

(cf. Section II.2.b)

**Lower-Tier: Other Banks**

Starting from 1990, 233 banking licenses have been granted by the National Bank; only 118 banks are currently fully operational. The number of banks is decreasing due to tighter National Bank regulation; mostly related to minimum capital requirements. At this time, in order to have a full banking license (which is necessary to operate in hard currency without restrictions) a operating bank must be capitalized with a minimum equivalent to US\$ 1.5 Million. Banking licenses for Tenge operations only require a minimum capitalization of US\$ 500,000 for operating banks. There is a professional Association of Banks of Kazakhstan which is a non-governmental organization.

According to the Edict No. 2446, the following types of banks may exist:

a. By types of activities

- Deposit Banks - that have the right to accept deposits, but no right to deal in stock market;
- Investment Banks - that cannot accept deposits except fixed term deposits of other banks but may carry out both direct and portfolio investment;

b. By types of capital ownership

- State-Owned Banks;
- Foreign Banks (banks with more than 50% foreign ownership);
- Joint Venture Banks (banks with foreign ownership less than 50%);
- Interstate (inter-governmental) Banks; and
- Subsidiary Banks (50% owned by another bank).

As of December 1995, there were 6 foreign banks, 7 joint venture banks, one inter-governmental (Central Asian Bank-Kazakhstan, Kyrgyzstan, and Uzbekistan), 3 state-owned banks.. About 85% of these banks have their headquarters in Almaty and 25% of all banks have branches in other oblasts. Approximately 12 banks have branches in almost every oblast. The total registered charter fund of these 133 banks is 17.7 billion tenge (\$270 million), with 16.3 billion tenge (US\$ 249 million) actually paid-in to charter funds. Currently, there are no investment banks.

Juridical persons may hold current accounts both in tenge and in hard currency, as well as investments in CD's, T-bills, and bills of exchange. Opening of bank accounts abroad is prohibited without special permit from the Ministry of Finance.

### **Limitations and Qualification Requirements in Banking**

The current legislation imposes no limitation on the following:

- the number of suppliers of banking services;
- the total number of service operations or their quantity output; and
- the total number of the natural persons (including foreigners) that may be employed in the banking sector.

Article 22 of Edict No. 2446, "the aggregate registered fund of banks with foreign participation may not exceed 25% of the aggregate registered charter fund of all banks of the Republic of Kazakhstan except as approved by the NBK." In addition, one member of the Board must be a Kazakstani citizen and funds of the foreign bank should be deployed in domestic assets.

Prudential ratios set by National Bank (liquidity ratio, capital adequacy ratio, etc.) restrict risks of operations of commercial banks in order to ensure stable and smooth functioning of the banking

system as a whole. Some of these ratios may be viewed as limitation to the total value of services and assets. Nonetheless, these restrictions, even though more rigid than those found in industrialized countries, are necessary in order to protect clients of commercial banks from risky investments. Today, there are 6 prudential ratios (normatives) that should be observed by second-tier banks as follows: capital adequacy (8% of risk weighted assets and 4% of total assets), maximum risk per lender (25% of own capital, 10% for persons connected to bank by special relations), liquidity (20%), reserve requirements (15%), share of fixed assets (20%) and goodwill (1%) in charter fund, maximum size of the open currency position to own capital (30% at one currency, 50% net sum).

According to Articles 19-27 of Edict 2446, the basic requirements for banking license include a business plan, intentions of the applicant, and qualification of the top executives (3 years of service in the banking sector for CEO and Chief Accountant and 2 years for Deputy Chairman and Deputy Chief Accountant). Edict 2446 requires that, prior to obtaining a license, a bank must (1) receive a written permission of the National Bank, (2) register as a legal entity at the Ministry of Justice, (3) open an office, and (4) establish all facilities (building, hardware, security, etc.)

In addition, foreign banks must have a representative office in Kazakhstan for one year before they can apply for a license. Off-shore companies may not be founders or shareholders of Kazakstani banks. The rating of the parent bank, by major rating agencies, is also taken into account when granting bank licenses.

According to Article 8 of Edict 2446, investment banks may not collect deposits except for fixed term deposits from other banks. The minimum capital requirement for an investment bank is Tenge 200 Million (US\$ 3 Million) if established before the end of 1996 and Tenge 300 Million (US\$ 4.6 Million), thereafter.

**a. Acceptance of deposits and other repayable funds from the public**

The public may place their funds with deposit banks either by opening personal accounts or buying bank CDs. Several banks are offering investments in 91-day or 182-day T-bills. As of 1 May 1996, The total savings of the population deposited in commercial banks is approximately US\$ 235 Million (2.0 times more than January 1995). The total estimated M2 is US\$ 1.74 billion on 1 May 1996.

**b. Lending of all types, including inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction**

Lending of all types, with the exception of issuance of credits to natural persons in hard currency, is permitted. In practice, lending has been limited to commercial lending and factoring, as well as to "repo" type operations with state securities. Consumer credit and mortgage services are limited at the moment due to their high inherent risk. Even commercial lending is assessed as highly risky with interest rates varying currently from 18-30% in US\$ and 45-60% in Tenge.

**c. Financial leasing**

There is no legislation that covers financial leasing currently in Kazakhstan. The only leasing activities are real estate and office building rentals and vehicle/vessel leasing with or without operators or crews.

**d. All payment and money transmission services**

Company-to-company payments within the Republic of Kazakhstan are made by banks mostly via the Clearing and Settlement Center of the National Bank, clearing chambers of oblast centres, and increasingly through the net of direct correspondent accounts of commercial banks. Usually it takes 1-3 days for the amount transferred to be credited to the customer account in the destination bank. Banks are allowed to perform a full range of hard currency operations including:

- taking and placing deposits, including loans and client/correspondent accounts;
- buying and selling payment documents denominated in hard currency; and
- buying and selling hard currency at exchanges and OTC market and auctions from and to natural persons (both in cash and non-cash) and from and to legal persons (non-cash).

The majority of international transfers are performed by the largest banks, members of SWIFT or Reuters. The basic regulation governing international transfers is National Bank Regulation No. 188. A number of banks have become full members of the SWIFT interbank settlement system and use plastic cards in their settlements.

**e. Guarantees and commitments**

Guarantees are usually offered by banks as a part of trade financing on a 100% collateral basis (they are very rarely offered without collateral). In 1995, there was an agreement between 12 major banks in the Republic of Kazakhstan on mutual acceptance of guarantees. Today the guarantees of several banks are generally accepted.

**f. Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise**

Trading for own account and for account of customers is done both on an exchange and over-the-counter market. Hard currency, T-bills, and futures are traded on an exchange:

Foreign exchange is traded at the Kazak Interbank Currency and Stock Exchange (KICSE). The daily trading of KICSE is about \$5-7 million, with US dollar, Deutschmarks and Russian rubles being the only three currencies traded. Interbank OTC hard currency market is rapidly growing. The volume of transactions at OTC markets currently exceeds approximately twice the volume of transactions at exchange.

T-bills are traded mostly at OTC markets [approximately 98%]. The government started issuing 91-day T-bills in 1994 and 182-day T-bills in early 1995. The aggregate value of Kazak T-bills currently is approximately US\$ 120 Million. A secondary market emerged in early summer 1995.

Futures including contracts for US dollar are traded at the Kazak International Agro-Industrial Exchange (KIAIE) and since May 1995 at Kazak Interbank Currency and Stock Exchange (only US\$). KIAIE was established to trade major export commodities at spot rates, later it became the main place for futures trading, including wheat, metals and US dollars. Futures are the only derivative product traded at the moment.

The trading volume of KICSE, CASE, KIAIE, accounts for more than 95% of the total trading on exchanges.

The OTC market is quite large by local standards in bills of exchange and bank certificates of deposit. Bills of exchange worth US\$ 70 Million were issued by Kazkommertsbank in 1995, and approximately US\$ 165 Million worth of KO Bills of Exchange were issued by the State Food Stuff Corporation. Over a dozen major local banks have their CD's in the market.

Cheques and shares of stock exist but have very limited liquidity. The National Bank and the Ministry of Finance regulated the issuance and circulation of these instruments. Since December 1995, the NSC (National Securities Commission) is actively creating and promoting legislation related to securities, including bills of exchange. According to the law "On Securities and Stock Exchanges," only securities registered with NSC may be traded in Kazakhstan. Any broking and dealing in stock, and other non-state securities, without a relevant NSC license, is illegal.

**g. Participation in the issues of all kinds of securities, including under-writing and placement as agent (whether publicly or privately) and provision of service related to such issues**

Underwriting and placement (both debt and equity, private and public) are regulated by the NSC and viewed as securities dealings. Accordingly, the requirements are as follows:

- issuance of corporate debt/equity must be registered with NSC;
- issue of bank debt/equity must be registered first with the National Bank and then with the NSC;
- the issuer must be a Kazakstani juridical persons; and
- the underwriter or agent must have an NSC license.

**h. Money broking**

There is no money broking market in Kazakhstan. However, there exists a market of "short money" (Almaty Interbank Financial Chamber). About ten banks participate in such trading.

**i. Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial depository and trust services**

No types of asset management, including portfolio and cash management are currently regulated by national legislation. There are few private (non-governmental) pension funds, that are managed by their directors in a very conservative way.

Depository and custodial services are under way. The State Property Committee has an information and settlement Center that is actually a registrar for joint stock companies established at the base of former state enterprises. It is expected that this department may turn into a central depository, similar to the Depository Trust Company in the USA.

There are 12 local banks that provide depository and custodial services for their clients dealing in T-bills and bills of exchange. These services are not yet available for stock and private bond trading.

Trust services are not permitted under the current legislation.



**j. Settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments**

The only settlement and clearing is offered by exchanges. Settlement and clearing of T-Bills is performed by the depository of National Bank. If done in OTC market, the transaction usually bears higher risk of non-delivery and non-payment.

**k. Advisory and other auxiliary financial services on all the activities listed in Article 1B of MTN.TNC/W/50, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy**

Auxiliary financial services (e.g., credit reference and analysis, investment and portfolio research, and advice on acquisitions and corporate restructuring and strategy) are offered mostly by international consulting, legal, and auditing companies. Some smaller local players, like Kazkommertsbank and Narodney Savings bank render auxiliary services to many state and privatized companies.

**l. Provision and transfer of financial information, and financial data processing and related software by providers of other financial services**

Day-to day financial information is provided by the local information agency Maksat and a company named Kazakhstan Business Services, including on-exchange trading of currency, T-bills, and stock. Reuters has a representative office in Almaty and informs its subscribers about important economic and financial events.

National Bank Decree No. 237 of 26 December 1995 requires that the ten largest banks must adopt international accounting standards by 1 April 1996 and remaining banks by 1 July 1996.

## **VIII. HEALTH RELATED AND SOCIAL SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Hospital services</b>	Same as under I.1.h	Same as under I.1.h
<b>2. Other human health</b>	Same as under I.1.h	Same as under I.1.h
<b>3. Social services</b>	Same as under I.1.h	Same as under I.1.h

## **IX. TOURISM AND TRAVEL RELATED SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Hotels and restaurants (incl. catering)</b>	Local administration : catering (sanitary expertise is required).	Not stipulated by any legislation
<b>2. Travel agencies and tour operators services</b>	Ministry of Youth, Tourism, and Sport: Tourist Services Activities	Not stipulated by any legislation
<b>3. Tourist guides services</b>	same as under 2 above	Not stipulated by any legislation

**X. RECREATIONAL, CULTURAL AND SPORTING SERVICES (other than audio - visual services)**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Entertainment services (incl. theater, live bands and circus services)</b>	Local administration : organization and conduct of lotteries (except for state lottery), totalizators, casino.	Not stipulated by any legislation
<b>2. News agency services</b>	None	Not stipulated by any legislation
<b>3. Libraries, archives, museums and other cultural services</b>	None	Not stipulated by any legislation
<b>4. Sporting and other recreational services</b>	None	Not stipulated by any legislation

**XI. TRANSPORT SERVICES**

Type of Services	Licensing Requirements	Qualification Requirements
<b>1. Maritime transport services</b>	Ministry of Transport and Communications : passenger and freight transport by marine and river (sanitary expertise is required).	Law "On Transportation in the Republic of Kazakhstan" of 21 September 1994: - Article 15: certification; registration; compulsory civil liability insurance; - Article 16: for navigating right: qualification test and medical attestation
<b>2. Internal waterways transport services</b>	Same as under 1 above	Same as under 1 above
<b>3. Air transport services</b>	Ministry of Transport and Communications : transport of passengers and freights by aviation (sanitary expertise is required)	Same as under 1 above
<b>e) Supporting services for air transport</b>	Ministry of Transport and communications : airport activities relating to services to aircraft, passengers and freights at airports (sanitary expertise is required).	Law "On Usage of Air Space and Aviation Activity of the Republic of Kazakhstan" of 20 December 1995: Article 83: certificate on aerodrome reliability and safety; certificate on state registration

Type of Services	Licensing Requirements	Qualification Requirements
<b>4. Space transport</b>	National Air Space Agency attached to the Ministry of Sciences and New Technologies: all types associated with the use of cosmic space, including creation, manufacture, operation, repair and modernization of rocket and cosmic equipment, utilization of surface, infrastructure to provide for its functioning (test-site, command and control compound, test-base, etc.) (sanitary and ecological expertise are required).	Not stipulated by any legislation
<b>5. Rail transport services</b>	Ministry of Transport and Communications : transport of passengers and freights by railway (sanitary expertise is required).	Same as under 1 above
<b>6. Road transport services</b>	Ministry of Transport and Communications : transport of passengers and freights by automobile (sanitary expertise is required).	Same as under 1 above
<b>7) Pipeline transport</b>	Ministry of the Oil and Gas Industry : operation of main oil and gas pipelines (ecological and mining expertise are required).	Not stipulated by any legislation
<b>8. Services auxiliary to all modes of transport</b>	None	Not stipulated by any legislation

The communication and transportation sectors constituted approximately 8.0% of GDP in 1994 and 9.5% in 1995. Currently, there are at least 1020 state, private, and foreign entities operating in the transportation sector. About 9% of the total workforce is employed in the transport sector.

Passenger and freight transports are described in Table A7.3 and Table A7.4.

Table A7.3 - Passenger Transport (Million of Passengers per Km)

<b>Passenger Transport</b>	<b>1994</b>	<b>1995</b>
Internal Waterways	0.00615	0.0063
Air	4.647	4.404
Road	13.137	11.404
Rail	17.361	13.412

Table A7.4 - Freight Transport (Thousand of Tons per Km)

<b>Freight Transport</b>	<b>1994</b>	<b>1995</b>
Internal Waterways	818	796
Air	89	120
Road	3902	1892
Rail	147,247	123,863

### 1. Maritime transport

Kazakhstan has only one seaport, the port of Aktau, on the Caspian sea. There are 7 sea transport enterprises all based in Aktau. Maritime transportation includes passenger, cargo, and oil. Statistics are not available for maritime transport.

Services provided by the various companies at the Aktau seaport include repair and maintenance of vessels and towing and pushing.

It is possible in Kazakhstan to hire vessels with crew.

### 2. Internal waterways transport

The share of river transportation is insignificant. In 1994, only 0.8% of cargo and 0.03% of passenger transportation was handled via internal waterways transport.

It is possible to rent vessels with crew. Repair and maintenance services as well as pushing and towing of various types of barges are available at most internal waterways ports. Other related services include sales of tickets; catering, insurance of cargo, loading and unloading, packaging of cargo, escort of cargo, fuelling, and information about ship services via telephone recording.

### 3. Air transport services

The total number of air carriers operating in the transportation sector is 32 (1 state aviation company- "Kazakhstan AirWays," 19 local private companies, and 12 foreign companies). Kazakhstan AirWays is a state company with 29 subsidiaries, 20 of them are air carriers with headquarters at various airports. Most of the local private companies have a license to operate as air carriers, but do not own aircraft. Most of these companies rent aircraft with crew. Foreign companies include Aeroflot, Austrian

Air, KLM, Lufthansa, PIA, Transaero, and Turkish Airlines. There are approximately 30 private ticket sales agents in Kazakhstan.

There are 21 airports in Kazakhstan. Three of these airports are open for international flights. The four largest airports are Akmola, Almaty, Atyrau, and Karaganda. All airports are currently owned by Kazakhstan AirWays. Significant modernization is needed for all airports including facilities, communications equipment, and air traffic control and management equipment. In addition, services, including repair and maintenance of aircraft, ticket sales, catering, and fuelling, are currently provided by Kazakhstan AirWays at all airports. Auxiliary airport services (commercial shops, currency exchange, car rental) are provided by private entities. The government plans to restructure Kazakhstan AirWays by divesting airports to local authorities and privatizing related services.

The Department of Aviation at the Ministry of Transport and Communication is responsible for issuing permission to international companies to fly into Kazakhstan; licensing and certifying aircraft and pilots; and collecting air transport fees. The main regulating document is the Presidential Edict, which has the Force of Law, "On Use of Air Space of the Republic of Kazakhstan" signed on 20 December 1995. Kazakhstan is a member of ICAO (International Civil Aviation Organization).

Landing and taking off fees are established by Kazakhstan AirWays and approved by the Anti-Monopoly Committee. Air routes usage fees are established by KazAirNavigation, (an independent entity from Kazakhstan AirWays) and approved by the Anti-Monopoly Committee.

#### **4. Space transport**

The Baykonur Space Center, located in Zhezkazgan Oblast, is the largest space vehicle launching site in the former Soviet Union. Currently, it is leased to the Russian Federation for 20 years. Last year, there were several launches by the Russian Federation from the Baykonur Space Center, including a joint one with the United States.

Kazakhstan does not own any space transport vehicles.

#### **5. Rail transport services**

Rail transport is one of the main types of transportation in Kazakhstan. There are three major railroads which are owned by the following three state companies: Zapadno Kazakhstan, Tselinnaya, and Alma-atinskaya. Railroad tariffs are established by the Anti-Monopoly Committee. Kazakhstan has direct railway links with all neighbouring countries. The total length of major railroads in Kazakhstan is 13,531 Km. The railroad network requires significant modernization.

Currently, the rolling-stock approximately consists of 3,355 locomotives, 2,800 passenger-cars, and 110 thousand cargo wagons. There are locomotive means for pushing and towing of railway trains to consumers by spur-tracks at all railway stations and junctions. All junctions and major railway stations have repair bases and spare equipment stocks for technical maintenance and repair of rolling-stock.

#### **6. Road transport services**

More than 35% of state-owned trucks were privatized through small and mass privatization programs. More than a half of the total truck fleet (the total is approximately 375 thousand) is currently owned by private individuals and companies.

Kazakhstan is a member of the International Union of Automobile. Kazakhstan has road transport agreements setting bilateral quotas for TIRs exchange with all CIS countries, China, Turkey, Iran,

Mongolia, Pakistan. Bilateral agreements are being planned with Finland, Afghanistan, Austria, Bulgaria, the Czech Republic, France, Germany, Hungary, Poland, Romania, and Slovakia.

The total length of general use roads in Kazakhstan is 87,800 Km. Highways in Kazakhstan need major repair and expansion; especially in rural areas.

The World Bank has granted an urban transport procurement loan (US\$ 39 Million) and plans to grant a highway procurement loan in 1997 (approximately US\$ 100 Million)

Rental of commercial vehicles with or without operator is gradually increasing in Kazakhstan. Financial leasing services of transport vehicles is becoming available.

Technical maintenance and repair of transport vehicles is available throughout the Republic in all cities and regional centres. Repair and maintenance of roads and highways is mostly conducted by the subsidiaries of the state company Kazakhstan Zholdari.

## **7. Pipeline Transport**

The main regulating body is the Ministry of Oil and Gas Industry which licenses and supervises oil and gas transportation via pipelines and develops the strategy of future development for the fuel sector. The main law governing the oil sector is Edict No. 2350 of President Which has the Force of Law "On Oil" dated 28 June 1995. The AMC approves the tariff rates for pipeline transportation.

Kazakhstan has 3,300 km of oil pipe lines and 2,100 km of gas pipelines, currently owned by the state.

### **Crude oil**

There are three main pipelines for crude oil:

- Mangistau -Atyrau - Russia
- Russia - Pavlodar - Shymkent
- Aktyubinsk - Russia

The Mangistau-Atyrau-Russian is the pipeline currently used for exporting Kazakhstan crude oil via Russia.

### **Petroleum products**

There are three main pipelines for petroleum products:

- Russia - Kustanai
- Russia - Petropavlovsk - Kokshetau
- Russia - Uralsk

### **Natural gas**

There are three main natural gas pipelines:

- Uzbekistan - Mangistau - Kustanai - Russia
- Turkmenistan - Mangistau - Uralsk - Russia
- Uzbekistan - Shymkent - Kyrgyzstan - Almaty

**8. Services auxiliary to all modes of transport****a. Cargo-handling services**

Loading and unloading services for all types of goods are available for all modes of transport.

**b. Storage and warehouse services**

Storage and warehouses services are available at various, or at close proximity, from main transportation nodes. Most state warehouses in Kazakhstan have been privatized.

**c. Freight transport agency services**

There are many companies specializing in all modes of freight transport. There are companies specialized in the transportation of containers with fixed temperature regimes, bulk tanks, large overall load, and technical complex equipment (computers, measuring apparatus, copy machines, medical equipment etc.). Some of these companies provide consulting services on issues related to export and import of products, customs rules, services for packaging and storage of goods.

**d. Other**

Insurance of cargo and means of transport is not mandatory. However, there are companies providing all types of insurance risks (cf. Annex 7-Section VII.1).

Table A7.5 State Bodies which have Licensing Roles

<b>N</b>	<b>The Authority Body</b>	<b>Type of Activities to be Licensed</b>
1	The Ministry of Defense	Development, manufacture, repair and marketing of weapons and munitions thereto, military equipment, spare parts, component elements and instruments thereto, provided they are not used in any other sectors as well as special purpose materials and equipment relating to their manufacture; elaboration, manufacture and marketing of explosive and pyrotechnic materials and items involving those manufacture and marketing of combat, toxic substances and means of protection therefrom.
2	The National Air Space Agency attached to the Ministry of Sciences and New Technologies	All types associated with the use of cosmic space, including creation, manufacture, operation, repair and modernization of rocket and cosmic equipment, utilization of surface, infrastructure to provide for it functioning (test-site, command and controls compound, test-base, etc.) Utilization of orbits of geostationary communication satellites

N	The Authority Body	Type of Activities to be Licensed
3	The Ministry of Transport and Communications	<p>Utilization of radio frequency range; conveyance of passengers and freights by railway, marine, river, aviation and automobile transport.</p> <p>Airport activities relating to services to aircraft, passengers and freights at airports.</p> <p>Activities in the sphere of postal communications and telecommunication except for technological and inside business designation as well as courier services, operation of national main and international lines of communications.</p>
4	Agency for Atomic Energy attached to the Ministry of Science and New Technologies	<p>Production, transport, processing and marketing of uranium and other fission materials as well as items made thereof. Manufacture and marketing of production containing radioactive substances in quantities which exceed the quota allowed for their use without use of specific means of protection.</p> <p>Development manufacture of marketing of roentgen, instruments and equipment with the use of radioactive substances and isotopes.</p>
5	The Ministry of Energy and the Coal Industry	<p>Production, transmission and distribution of electric and thermal energy.</p> <p>Manufacture, repair and operation of boilers, vessels and pipelines which operate under pressure.</p> <p>Manufacture and repair of explosion protected electric equipment.</p>
6	The Ministry of Construction and Housing	<p>Designing and construction of industrial exposure and fire and mining production : facilities, main pipe, gas and oil lines, lifted devices as well as boilers, vessels and pipelines operating under pressure.</p> <p>Installation of drilling, oil and gas industry, geological prospecting, mining equipment, explosion protected electrical equipment, equipment and control systems, accident prevention systems and alarms, lifting devices as well as boilers, vessels and pipelines operating under pressure.</p> <p>Construction and installation work associated with gasification of residential and utility facilities.</p> <p>Designing and construction of items of alarm and fire systems and fire prevention automated equipment.</p> <p>Installation, repairs and servicing of passenger elevators.</p> <p>Designing and construction of national main and international communication lines.</p> <p>Designing research, expert and construction and installation operations, operations associated with production of building materials, items and modules.</p>



N	The Authority Body	Type of Activities to be Licensed
7	The Ministry of Industry and Trade	<p>Operation of industrial explosion and the fire risk and mining production facilities as well as lifting installations, manufacture and repairs of chemical, drilling, mining equipment, equipment and control system, anti-accident protection and alarm system, lifting devices.</p> <p>Performance of mining survey work in the utilization of the subsurface, processing, storage of precious metals and precious stones, manufacture of jewellery items.</p> <p>Processing of mineral raw materials.</p>
8	The Ministry of Oil and Gas Industry	<p>Operation of main oil and gas pipelines</p> <p>Manufacture and repairs of oil and gas industries equipment.</p> <p>Manufacture, operation and repairs of systems of gasification of housing and utility facilities</p>
9	The Ministry of Geology and Protection of the Subsurface	Manufacture and repairs of geological prospecting equipment.
10	The Ministry of Internal Affairs	<p>Production, repairs and marketing of hunting and sports firearms and munitions thereto, as well as chemical means of self-defense.</p> <p>Adjustment and technical services to the system of fire and security alarm systems and fire prevention automated equipment</p> <p>Development of individual means of self-defense.</p> <p>Rendering to non-government entities legal services relating to detective and security activities.</p>
11	The Ministry of Health Protection	<p>Disinfection, deodorization of production of residential and civil facilities.</p> <p>Manufacture and marketing of pharmaceuticals (except for growing, collecting and selling of pharmaceuticals of animal origin, plant and herds)</p> <p>Engagement in medical and medicinal activities.</p>
12	The State Technical Commission for Information	All types of activities associated with technical protection of state secrets of the Republic of Kazakhstan, including development, manufacture, instalment, adjustment, repair and services to technical means of information protection, protected technical items for data processing
13	The Main Department for Geodesics and Cartography	Performance of topographic and geodesic and cartographic and survey work and marketing of topographic, geodesic and cartographic products
14	Committee for Standardization, Metrology and Certification	<p>Manufacture, audit and repairs, marketing and leasing of measurement instruments.</p> <p>Manufacture of alcohol products</p> <p>Production of material and graphic items which epitomize the state symbols of the Republic of Kazakhstan as defined in the Constitution</p>

N	The Authority Body	Type of Activities to be Licensed
15	The Customs Committee	Activities associated with the customs regime (as stipulated in the Customs legislation) Rendering of customs services
16	The Ministry of Education	Activities of educational establishments which provide secondary, secondary vocational and higher education with the rights to issue diplomas in specific professions
17	The Ministry of Justice	Rendering of legal services Forensic expert activities
18	The Ministry of Finance	Audit activities
19	The State Insurance Supervision Body	Insurance activities
20	The National Securities Commission	Professional activities in the securities market and activities of Stock Exchanges Manufacture and import of paper for securities
21	The National Bank	Banking activities, activities of clearing and settlement organization, performance of transactions associated with foreign currency, which are considered in accordance with the legislation as currency transactions Activities of pawnshops
22	The Main Inspectorate of Assay Supervision attached to the National Bank of the Republic of Kazakhstan	Transactions involving affinated precious metals and precious stones in their physical condition Procurement and processing of secondary resources and wastes which contain precious metals and precious stones
23	The Committee for National Security	Elaboration, performance, repairs and marketing of cryptographic devices for protection of information, special technical devices for performance of special operative and investigation efforts
24	The Ministry of Labor	Activities associated with attraction of foreign manpower as well as export of manpower from the Republic of Kazakhstan
25	The State Inspectorate for Supervision of Rational Use of Ferrous and Non-Ferrous Metals	Collection (procurement), storage, processing and marketing by legal entities of scrape and waste of ferrous and non-ferrous metals
26	The Ministry of Agriculture	Veterinary activities
27	Local executive body of oblast and Almaty	Activities of public catering outlets Organization and conduct of lotteries (except for state lottery), totalisers, casino Maintenance and operation of petrol refilling station

## ANNEX 8

### INTERNATIONAL AGREEMENTS

#### A. List of Foreign Trade Agreements

1. Trade agreement between the Government of the Republic of Kazakhstan and the Government of **Canada** (Ottawa; 29 March 1995)
2. Trade agreement between the Government of Sinjzian-Uigur autonomic district of **China** People's Republic and the Government of the Republic of Kazakhstan (Urumqi; 16 July 1991)
3. Agreement on principles of trade-economic co-operation between the Republic of Kazakhstan and the Republic of **Chuvashia** (Almaty; 1 September 1994)
4. **CIS**-Interstate agreement on co-operation and mutual assistance to customs affairs (Moscow; 15 April 1994)
5. **CIS**-Interstate agreement on re-export of goods and the procedure of issuing permissions for re-export (Moscow; 15 April 1994)
6. Agreement between the Government of the Republic of Kazakhstan and the Government of **Czech** Republic on trade-economic relations and co-operation in the sphere of science and techniques (Almaty; 13 September 1993)
7. Trade agreement between the Government of the Republic of Kazakhstan and the Government of the Arabic Republic of **Egypt** (Cairo; 14 February 1993)
8. Agreement between the **European Economic Community** and the Republic of Kazakhstan on Trade and Textile Items (initialled 15 October 1993)
9. Agreement between the Government of the Republic of Kazakhstan and the Government of **Finland** on trade-economic co-operation (Almaty; 29 September 1992)
10. Intergovernmental agreement between the Government of the Republic of Kazakhstan and the Government of **France** on industrial and trade co-operation (Almaty; 17 October 1993)
11. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Georgia** on the principles of relations in the sphere of customs matters (Almaty; 1 June 1993)
12. Agreement between the Ministry of Finance of the Republic of Kazakhstan and the Customs Committee of the Republic of **Georgia** on co-operation and mutual support on customs matters (Almaty; 1 June 1993)
13. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Hungary** on trade-economic connections (Budapest; 26 June 1992)
14. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Hungary** on establishing the Inter-Governmental Kazakhstan-Hungarian Commission on trade-economic co-operation (Almaty; 9 March 1995)

15. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **India** on creation of an intergovernmental commission on trade, economic, scientific and technical co-operation (Almaty; 16 October 1992)
16. Trade agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Korea** (Almaty; 3 July 1992)
17. Agreement between the Government of the Republic of Kazakhstan and the Government of **Korean People's Democratic Republic** on trade, economic co-operation (Almaty; 7 May 1991)
18. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Latvia** on trade-economic co-operation (Almaty; 13 October 1994)
19. Agreement between the Government of the Republic of Kazakhstan and the Government of **Mongolia** on trade-economic co-operation (Ulan-Bator; 27 October 1992)
20. Agreement on trade, economic and financial co-operation between the Government of Kazakhstan and the Government of the Sultanate of **Oman** (Muscat; 17 June 1992)
21. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Poland** on trade-economic co-operation (Almaty; 14 October 1992)
22. Agreement between the Government of the Republic of Kazakhstan and the Government of **Romania** on trade-economic co-operation (Bucharest; 4 December 1992)
23. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on mutual establishment of trade representative offices (Moscow; 22 October 1992)
24. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on co-operation and mutual support in customs matters (Moscow; 28 March 1994)
25. Agreement between the Republic of Kazakhstan and the **Russian Federation** on the unified procedure of managing the customs services (Moscow; 16 May 1995)
26. Agreement between the Government of the Republic of Kazakhstan and the Government of Kingdom of **Saudi Arabia** on co-operation in trade-economic, investment, technical and cultural spheres, as well as in the spheres of sport and youth matters (27 September 1994)
27. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Slovak Republic** on trade, economic and scientific-technical co-operation (Almaty; 18 May 1995)
28. Agreement between the Government of the Republic of Kazakhstan and the Government of the Kingdom of **Sweden** on trade relations (Almaty; 23 March 1994)
29. Trade agreement between the Government of the Republic of Kazakhstan and the Government of the **Syrian Arab Republic** (Almaty; 27 March 1992)

30. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Tajikistan** on the principles of trade-economic co-operation (Almaty; 30 January 1995)
31. Agreement between the Government of the Republic of Kazakhstan and the Government of **Turkey** on trade, economic and scientific-technical co-operation (Ankara; 26 September 1991)
32. Agreement on trade relations between the Government of the Republic of Kazakhstan and the Government of the **USA** (Washington; 19 May 1992)
33. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Uzbekistan** on regulating the issues of trade-economic co-operation (Almaty; 24 August 1994)
34. Agreement between the Government of the Republic of Kazakhstan and the Government of the Socialist Republic of **Vietnam** on trade-economic co-operation (Almaty; 1 February 1994)

Additional trade agreements are listed under B below.

**B. List of trade agreements or parts of them which contain preferential trade provisions, indicating by HS (2 digit) the tariff lines involved, the margin of preference granted, reciprocity provisions and details of any preferential treatment.<sup>1</sup>**

1. **Interstate Agreement of CIS countries** on the creation of a Free Trade Area (Moscow; 15 April 1994)
2. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Kyrgyz Republic** on free trade (Bishkek; 22 June 1995)

Protocol on exceptions from the regime of free trade in the Agreement between the Government of the Republic of Kazakhstan and the Government of the **Kyrgyz Republic** on free trade of June 22, 1995 (Bishkek; 22 June 1995)

3. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Lithuania** on free trade (Vilnius; 21 July 1993)

Amendment to the Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Lithuania** on free trade as of 21 July 1993 (Vilnius; 9 August 1994)

4. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Moldova** on free trade (Moscow; May 26, 1995)

Protocol on exceptions from the free trade regime to the agreement between Kazakhstan and **Moldova** (Moscow; 26 May 1995)

5. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on free trade (Moscow; 22 October 1992)

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<sup>1</sup>cf. section IV.1 and IV.2

6. Agreement on creation of Unified economic area between the Republic of Kazakhstan and the Republic of **Uzbekistan** (Tashkent; 10 January 1994)

Protocol on creation of Intergovernmental Kazakstani-Uzbekistani commission on deepening of economic integration (Tashkent; 10 January 1994)

7. Agreement between the Government of the Republic of Kazakhstan and the Government of **Ukraine** on free trade (Almaty; 17 September 1994)

8. Decision on joining of the **Kyrgyz** Republic to the agreement on creation of Unified economic area between the Republic of Kazakhstan and the Republic of Uzbekistan (Bishkek; 16 January 1994)

9. Agreement on establishing a Customs Union between the **Russian Federation, Belarus** and the Republic of Kazakhstan (Moscow; 20 January 1995)

Protocol on introduction of free-trade regime without exceptions and limits between the Republic of Kazakhstan and the **Russian Federation** while joining the customs territories of the Republic of Kazakhstan and the **Russian Federation** (Moscow; 20 January 1995)

10. Agreement on free trade between the Government of the Republic of Kazakhstan and the Government of the Republic of **Tajikistan** (22 November 1995)

#### C. List of labor Market integration agreements

1. Protocol on interrelations and co-operation in the sphere of labor and social activities between the Ministry of Labor of the Republic of Kazakhstan and the Ministry of Labor and social activities of the Islamic Republic of **Iran** (Teheran; 22 February 1993)
2. Agreement between the Republic of Kazakhstan and **Mongolia** on settlement of voluntary migration problems and citizenship of people come to the Republic of Kazakhstan under labor agreements (Almaty; 2 December 1994)
3. Agreement between the Government of the Republic of Kazakhstan and the Government of **Mongolia** on co-operation on the issues of hiring citizens of Mongolia and of the Republic of Kazakhstan under labor agreements (Almaty; 2 December 1994)
4. Protocol on co-operation between the Ministry of Labor of the Republic of Kazakhstan and the Ministry of labor and social protection of the Republic of **Turkey** (Ankara; 1 September 1993)
5. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Uzbekistan** on co-operation in the sphere of utilization of labor resources and migration of work force (Tashkent; 25 May 1994)
6. Mutual Memorandum of the Republic of Kazakhstan, the Republic of **Kyrgyzstan**, and the Republic of **Uzbekistan** on co-operation in the sphere of migration (Almaty; 8 July 1994)
7. Agreement between **CIS countries** on co-operation in the sphere of labor migration and social protection of the workers-migrants (Moscow, 15 April 1994)

**D. List of bilateral, multilateral economic agreements, international conventions and organizations**

**D.1 Bilateral economic agreements**

1. Memorandum on economic co-operation between the Government of the Republic of Kazakhstan and the Government of **Austria** (Almaty; 26 April 1993)
2. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Belarus** on tax policy (Minsk; 16 September 1992)
3. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Bulgaria** on trade-economic co-operation (Almaty; 30 July 1993)
4. Declaration on economic co-operation between the Republic of Kazakhstan and **Canada** (Almaty; 10 July 1992)
5. Agreement between the Government of the Republic of Kazakhstan and the Government of **China** People's Republic on incentives and mutual protection of investments (Peking; 10 August 1992)
6. Agreement on principles of trade-economic co-operation between the Republic of Kazakhstan and the Republic of **Chuvashia** (Almaty; 1 September 1994)
7. Agreement on trade-economic co-operation between the Republic of Kazakhstan and **Cuba** (Almaty; 25 December 1991)
8. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Czech and Slovak** Federal Republic on trade-economic relations and scientific-technical co-operation (Moscow; 19 June 1992)
9. Agreement between the Government of the Republic of Kazakhstan and the Government of **Czech** Republic on trade-economic relations and co-operation in the sphere of science and techniques (Almaty; 13 September 1993)
10. Agreement between the Government of the Republic of Kazakhstan and the Government of the Arabic Republic of **Egypt** on encouragement and mutual protection of investments (Cairo; 14 February 1993)
11. Agreement between the Government of the Republic of Kazakhstan and the Government of the Arabic Republic of **Egypt** on economic, scientific and technical co-operation (Cairo; 14 February 1993)
12. Agreement between the Government of the Republic of Kazakhstan and the Government of **Finland** on trade-economic co-operation (Almaty; 29 September 1992)
13. Agreement between the Government of the Republic of Kazakhstan and the Government of **Finland** on incentives and mutual protection of capital investments (Almaty; 29 September 1992)
14. Protocol on economic co-operation between the Government of the Republic of Kazakhstan and the Government of **France** (Paris; 23 September 1992)

15. Intergovernmental agreement between the Government of the Republic of Kazakhstan and the Government of **France** on industrial and trade co-operation (Almaty; 17 October 1993)  
  
Joint Declaration on economic co-operation between the Government of the Republic of Kazakhstan and the Government of the **United Kingdom of Great Britain and Northern Ireland** (London; 21 March 1994)
16. Convention between the Government of the Republic of Kazakhstan and the Government of **United Kingdom of Great Britain and Northern Ireland** on removal of double taxation and staying off evasion of tax payment for income and rising of the cost of property (London; 21 March 1994)
17. Agreement between the Republic of Kazakhstan and the Federal Republic of **Germany** on incentives and mutual protection of capital investments (Bonn; 22 September 1992)
18. Agreement between the Republic of Kazakhstan and the Federal Republic of **Germany** on development of large scale co-operation in the sphere of economy, industry, science and technology (22 September 1992)
19. Agreement between the Government of the Republic of Kazakhstan and the Government of the Federal Republic of **Germany** on financial co-operation (Almaty; 22 May 1995)
20. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Hungary** on trade-economic connections (Budapest; 26 June 1992)
21. Agreement between the Republic of Kazakhstan and the Republic of **Hungary** on encouragement and mutual protection of investments (Budapest; 7 December 1994)
22. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Hungary** on establishing the Inter-Governmental Kazakhstan-Hungarian Commission on trade-economic co-operation (Almaty; 9 March 1995)
23. Protocol on co-operation between the Ministry of Industry and Trade of the Republic of Kazakhstan and the Ministry of Industry and Trade of the Republic of **Hungary** (Almaty; 9 March 1995)
24. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **India** on creation of an intergovernmental commission on trade, economic, scientific and technical co-operation (Almaty; 16 October 1992)
25. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Indonesia** on economic and technical co-operation (Almaty; April 1995)
26. Declaration on economic cooperation between the Government of the Republic of Kazakhstan and the Government of **Italy** (Rome; 22 September 1994)
27. Memorandum between the Government of the Republic of Kazakhstan and the Government of the Islamic Republic of **Iran** on the principles of customs relations (Almaty; 25 October 1993)



28. Convention between the Government of the Republic of Kazakhstan and the Government of **Italy** on elimination of double taxation regarding taxes on revenues and prevention of avoiding to pay taxes (Rome; 22 September 1994)
29. Agreement between the Government of the Republic of Kazakhstan and the Government of **Italy** on incentives and mutual protection of capital investments (Rome; 22 September 1994)
30. Agreement between the Government of the Republic of Kazakhstan and the Government of **Israel** on creation of joint economic commission (Tel-Aviv; 6-8 September 1992)
31. Agreement between the Government of the Republic of Kazakhstan and the Government of **Korean People's Democratic Republic** on trade, economic co-operation (Almaty; 7 May 1991)
32. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Latvia** on trade-economic co-operation (Almaty; 13 October 1994)
33. Agreement on economic, scientific-technical and cultural co-operation between the Republic of Kazakhstan and the Great Socialist People's **Libyan** Arabian Djumhuria (Almaty; 13 March 1992)
34. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Lithuania** on encouragement and mutual protection of investments (Almaty; 15 September 1994)
35. Agreement between the Government and the National Bank of the Republic of Kazakhstan and the Government and the Bank of the Republic of **Lithuania** on settlements of economic subjects of the Republic of Kazakhstan and the Republic of Lithuania (Almaty; 15 September 1994)
36. Agreement between the Government of the Republic of Kazakhstan and the Government of **Mongolia** on trade-economic co-operation (Ulan-Bator; 27 October 1992)
37. Agreement between the National Bank of the Republic of Kazakhstan and Mongolbank (Central bank of **Mongolia**) on settlement procedure and the procedure of book keeping on trade-economic operations between the Republic of Kazakhstan and **Mongolia** (Ulan-Bator; 27 October 1992)
38. Agreement between the Government of the Republic of Kazakhstan and the Government of **Mongolia** on creation and functions of intergovernmental Kazakhstan-Mongol commission on trade-economic, scientific-technical and cultural co-operation (Almaty; 25 March 1993)
39. Agreement between the Government of the Republic of Kazakhstan and the Government of **Mongolia** on encouragement and mutual protection of investments (Almaty; 2 December 1994)
40. Agreement on trade, economic and financial co-operation between the Government of Kazakhstan and the Government of the Sultanate of **Oman** (Muscat; 17 June 1992)
41. Convention between the Government of the Republic of Kazakhstan and the Government of the Islamic Republic of **Pakistan** on elimination of double taxation and prevention of avoiding to pay taxes on revenues (Almaty; 23 August 1995)
42. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Poland** on trade-economic co-operation (Almaty; 14 October 1992)

43. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Poland** on encouragement and mutual protection of investments (Almaty; 21 September 1994)
44. Convention between the Government of the Republic of Kazakhstan and the Government of the Republic of **Poland** on elimination of double taxation and prevention of avoiding to pay taxes on revenues and capital (Almaty; 21 September 1994)
45. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Poland** on granting of credit for purchasing Polish goods (Almaty; 21 September 1994)
46. Agreement between the Government of the Republic of Kazakhstan and the Government of **Romania** on trade-economic co-operation (Bucharest; 4 December 1992)
47. Agreement on further extending the integration and economic co-operation between the Republic of Kazakhstan and the **Russian Federation** (Moscow; 28 March 1994)
48. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on the main principles of creation of Kazakhstan-Russian financial-industrial groups (Moscow; 28 March 1994)
49. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on co-operation in the sphere of industrial property protection (Moscow; 28 March 1994)
50. Agreement between the Republic of Kazakhstan and the **Russian Federation** on unified procedure of regulation of foreign economic activity (Moscow; 20 January 1995)
51. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Russian Federation** on co-operation of contiguous oblasts (Omsk; 26 January 1995)
52. Agreement between the Government of the Republic of Kazakhstan and the Government of Kingdom of **Saudi Arabia** on co-operation in trade-economic, investment, technical and cultural spheres, as well as in the spheres of sport and youth matters (27 September 1994)
53. Agreement between the Government of the Republic of Kazakhstan and the Government of the **Slovak Republic** on trade, economic and scientific-technical co-operation (Almaty; 18 May 1995)
54. Agreement between the Republic of Kazakhstan and the Kingdom of **Spain** on incentives and mutual protection of capital investments (Madrid; 23 March 1994)
55. Agreement between the Government of the Republic of Kazakhstan and the Government of the Kingdom of **Spain** on co-operation in the sphere of economy and industry (Madrid; 23 March 1994)
56. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Tajikistan** on the principles of trade-economic co-operation (Almaty; 30 January 1995)

57. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Tunisia** on economic, scientific-technical and cultural co-operation (23 November 1992)
58. Agreement between the Government of the Republic of Kazakhstan and the Government of **Turkey** on trade, economic and scientific-technical co-operation (Ankara; 26 September 1991)
59. Agreement between the Republic of Kazakhstan and the **Turkish** Republic on mutual promotion and protection of investments (Almaty; 1 May 1992)
60. Protocol on creation of an intergovernmental commission on economic co-operation between the Government of the Republic of Kazakhstan and the Government of the Republic of **Turkey** (Ankara; 2 September 1993)
61. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Turkey** on avoiding double taxation regarding taxes on revenues (Almaty; 15 August 1995)
62. Agreement between the Government of the Republic of Kazakhstan and the Government of **Ukraine** on encouragement and mutual protection of investments (Almaty; 17 September 1994)
63. Agreement on further development and extension of economic co-operation between the Republic of Kazakhstan and **Ukraine** (Almaty; 21 September 1995)
64. Agreement between the Republic of Kazakhstan and the **USA** on incentives and mutual protection of capital investments (Washington; 19 May 1992)
65. Agreement between the Government of the Republic of Kazakhstan and the Government of the **USA** on stimulation of capital investments (Washington; 19 May 1992)
66. Convention between the Government of the Republic of Kazakhstan and the Government of the **USA** on avoiding double taxation and staying off evasion from tax payment on income and capital (Almaty; 24 October 1993)
67. Principles of co-operation between the Republic of Kazakhstan, Corporation of foreign private investments, and **American-Kazakhstan** Union on economic development (Washington; 14 February 1994)
68. Memorandum on mutual understanding between the Ministry of Industry and Trade of the Republic of Kazakhstan and the Ministry of Commerce of the **USA** on co-operation in the development of services in the sphere of business data and exchange of market information (Washington; 20 March 1995).
69. **Kazakhstan-American** Declaration on trade, investment and economic co-operation (Washington; 27 March 1995)
70. Agreement between the Government of the Republic of Kazakhstan and the Government of the Republic of **Uzbekistan** on regulating the issues of trade-economic co-operation (Almaty; 24 August 1994)

71. Agreement between the Government of the Republic of Kazakhstan and the Government of the Socialist Republic of **Vietnam** on trade-economic co-operation (Almaty; 1 February 1994)

## **D.2 Multilateral economic agreements**

1. Agreement between the Islamic Republic of **Iran**, the Republic of Kazakhstan, the **Kyrgyz** Republic, the Islamic Republic of **Pakistan**, **Turkey**, **Turkmenistan**, and the Republic of **Uzbekistan** on economic co-operation in the implementation of the projects which are of mutual interest (Ashqabad; 10 May 1992)
2. Agreement between **CIS Countries** on agreed principles of tax policy (Moscow, 13 March 1992)
3. Agreement between **CIS countries** on co-operation in the sphere of copyright and related right protection (Moscow, 24 September 1993)
4. Interstate Agreement of **CIS** countries on co-operation in the sphere of investment activities (Ashqabad; 24 December 1993)
5. **CIS**-Interstate agreement on conducting agreed policy in the field of standardization, metrology, and certification (Moscow; 13 March 1992)
6. Agreement on partnership and co-operation between the **European Union** and Kazakhstan (24 May 1994)
7. Interstate agreement of **CIS countries** on the creation of an economic union (Moscow; 24 September 1993)

## **D.3 International Conventions**

1. Convention on International Civil Aviation, of 1944
2. Convention on the Contract for International Carriage of Goods, of 1956
3. Convention on the Recognition and Enforcement of Foreign Arbitration Judgments (New-York), of 1958
4. European Convention on International Commercial Arbitration, of 1961
5. International Convention on the Carriage of Goods, of 1966
6. International Convention on the Responsibility for Damage of Petroleum Pollution, of 1968
7. Convention on the Law of International Treaties (Vienna), of 1969
8. European Agreement concerning the Work of Crews of Vehicles Dealing with International Carriage, of 1970
9. Customs Convention on International Carriage of Goods with Application of IRP of 1975
10. Agreement on International Carriage of Perishable Food-Stuffs and on the Vehicles, Intended for the Carriage, of 1975

11. Agreement on International Trade Marks (Madrid), of 1967 and 1979
12. Agreement on Establishing the Inter-State Eurasia Union of Coal and Steel (CIS), of 1993
13. Eurasia Convention of Patent, of 1994
14. Fundamentals of the Customs Legislation of the States - CIS Members, of 1995

**D.4 Multilateral economic or related organizations**

1. Asian Development Bank
2. Bureau of Democratic Institutes and Human Rights
3. Central Asian Bank of Development
4. Council of Security and Co-operation in Europe
5. European Bank of Reconstruction and Development
6. European Electric Charter
7. Eurasia Union of Coal and Steel (CIS)
8. International Agency of Atomic Energy
9. International Agency of Investment Guarantees
10. International Association of Development
11. International Bank of Reconstruction and Development
12. International Civil Aviation Organization
13. International Epizootical Bureau
14. International Federation of the Red Cross and the Red Crescent Societies
15. International Financial Corporation
16. International Labor Organization
17. International Maritime Organization
18. International Monetary Fund
19. International Organization on Certification
20. International Organization for Standardization
21. International Statistic Institute

22. International Union of Electric Communication
23. Interparliamentary Assembly (CIS)
24. Interparliamentary Union
25. Joint Institution of Nuclear Research
26. Organization of Economic Co-operation and Development
27. Universal Postal Union
28. United Nations Organization
29. United Nations Educational Scientific and Cultural Organization
30. World Customs Organization
31. World Health Organization
32. World Intellectual Property Organization
33. World Tourism Organization

#### **D.5 Accession in Progress**

1. International Organization of Social Security
2. United Nations Industrial Development Organization
3. World Trade Organization

#### **E. System of preferences**

##### **E.1 List of developing countries for which custom duties for import of goods are half the base rate**

Preferential rates are equal half of the base rate. Copies of the customs tariffs of Kazakhstan have been transmitted to the WTO Secretariat.

- |                        |                            |
|------------------------|----------------------------|
| 1. Albania             | 13. Bolivia                |
| 2. Algeria             | 14. Bosnia and Herzegovina |
| 3. Angola              | 15. Brazil                 |
| 4. Antigua and Barbuda | 16. British Virgin Islands |
| 5. Anguilla            | 17. Brunei Darussalam      |
| 6. Argentina           | 18. Cayman Islands         |
| 7. Aruba               | 19. Cameroon               |
| 8. Bahamas Islands     | 20. Chile                  |
| 9. Bahrain             | 21. China                  |
| 10. Barbados           | 22. Columbia               |
| 11. Belize             | 23. Congo                  |
| 12. Bermuda Islands    | 24. Cook Islands           |

- |     |                                     |      |                            |
|-----|-------------------------------------|------|----------------------------|
| 25. | Costa Rica                          | 65.  | Morocco                    |
| 26. | Croatia                             | 66.  | Namibia                    |
| 27. | Cuba                                | 67.  | Nauru                      |
| 28. | Cyprus                              | 68.  | Netherlands Antilles       |
| 29. | Dominican Republic                  | 69.  | Nicaragua                  |
| 30. | Dominica                            | 70.  | Nigeria                    |
| 31. | Ecuador                             | 71.  | New Calendonia             |
| 32. | Egypt                               | 72.  | Oman                       |
| 33. | El Salvador                         | 73.  | Pacific Islands            |
| 34. | Fiji                                | 74.  | Pakistan                   |
| 35. | Gabon                               | 75.  | Panama                     |
| 36. | Gambia                              | 76.  | Papua New Guinea           |
| 37. | Ghana                               | 77.  | Paraguay                   |
| 38. | Grenada                             | 78.  | Peru                       |
| 39. | Guatemala                           | 79.  | Philippines                |
| 40. | Guyana                              | 80.  | Qatar                      |
| 41. | Honduras                            | 81.  | Saint Lucia                |
| 42. | Hong-Kong                           | 82.  | Saint Vincent & Grenadines |
| 43. | India                               | 83.  | Saint-Kitts & Nevis        |
| 44. | Indonesia                           | 84.  | Saudi Arabia               |
| 45. | Iran                                | 85.  | Senegal                    |
| 46. | Iraq                                | 86.  | Seychelles                 |
| 47. | Island of Saint Helena              | 87.  | Singapore                  |
| 48. | Ivory Coast                         | 88.  | Slovenia                   |
| 49. | Jamaica                             | 89.  | Sri Lanka                  |
| 50. | Jordan                              | 90.  | Surinam                    |
| 51. | Kenya                               | 91.  | Swaziland                  |
| 52. | Korea, Democratic People's Republic | 92.  | Syria                      |
| 53. | Korea, Republic of                  | 93.  | Thailand                   |
| 54. | Kuwait                              | 94.  | Tokelau                    |
| 55. | Lebanon                             | 95.  | Tonga                      |
| 56. | Libya                               | 96.  | Trinidad & Tobago          |
| 57. | Macedonia, Former Yugoslav Republic | 97.  | Tunisia                    |
| 58. | Malaysia                            | 98.  | Turkey                     |
| 59. | Malta                               | 99.  | Turks and Caicos Islands   |
| 60. | Mauritius                           | 100. | United Arab Emirates       |
| 61. | Mexico                              | 101. | Uruguay                    |
| 62. | Micronesia                          | 102. | Venezuela                  |
| 63. | Mongolia                            | 103. | Vietnam                    |
| 64. | Montserrat                          |      |                            |

Goods produced in Taiwan are considered as produced in China and pay equal customs duty as Chinese goods imported to Kazakhstan.

**E.2 List of the least developed countries, goods of which are not the subject to customs import duties of Kazakhstan:**

- |    |             |     |                          |
|----|-------------|-----|--------------------------|
| 1. | Afghanistan | 6.  | Burkina Faso             |
| 2. | Bangladesh  | 7.  | Burundi                  |
| 3. | Benin       | 8.  | Cape-Verde               |
| 4. | Bhutan      | 9.  | Cambodia                 |
| 5. | Botswana    | 10. | Central African Republic |

11.	Chad	30.	Nepal
12.	Comoros Islands	31.	Niger
13.	Djibouti	32.	Rwanda
14.	Equatorial Guinea	33.	Samoa
15.	Ethiopia	34.	Sao Tome and Principe
16.	Guinea	35.	Sierra Leone
17.	Guinea-Bissau	36.	Solomon Islands
18.	Haiti	37.	Somalia
19.	Kiribati	38.	Sudan
20.	Laos	39.	Tanzania
21.	Lesotho	40.	Togo
22.	Liberia	41.	Tuvalu
23.	Madagascar	42.	Uganda
24.	Malawi	43.	Vanuatu
25.	Maldives	44.	Yemen
26.	Mali	45.	Zaire
27.	Mauritania	46.	Zambia
28.	Mozambique		
29.	Myanmar		

### **E.3 List of imported goods which are not the subject of preferential regime in the Republic of Kazakhstan**

The following imported goods are not subject to the preferential treatment provided to developing countries and least developed countries described above in Section E.1 and E.2 respectively. The base rate applies for these goods regardless of country of origin.

<b>Code</b>	<b>Description of Goods</b>
330300	Perfumes and toilet waters.
3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations.
3305	Preparations for use on the hair.
3306	Preparations for oral or dental hygiene, including denture fixative pastes and powders.
3307	Pre-shave, shaving or after shave preparations, personal deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorants, whether or not perfumed or having disinfectant properties.
711620	Articles of natural or cultured pearls, precious or semi-precious stones(natural, synthetic or reconstructed). - of precious or semi-precious stones (natural, synthetic or reconstructed).
7117	Imitation jewellery
851710000	Electrical apparatus for line telephony or line telegraphy, including such apparatus for carrier-current line systems.
8519	Turntables (record-decks, record players, cassette-players and other sound reproducing apparatuses not incorporating a sound-recording devices.
8520	Magnetic tape recorders and other sound recording apparatuses whether or not incorporating a sound reproducing device.
8521	Video recording or reproducing apparatus.



Code	Description of Goods
8525	Transmission apparatuses for radio-telephony, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras.
8527	Reception apparatus for radio-telephony, radio-telegraphy or radio-broadcasting whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.
8528	Television receives (including video monitors and video projectors), whether or not combined, in the same housing, with radio broadcast receivers or sound or video recording or reproducing apparatus.

## ANNEX 9

## ANNEX ON EXPORT

Table A9.1 List of goods export whereof shall be carried out under licenses

<b>Name of Goods</b>	<b>Code of Commodity Nomenclature</b>	<b>The Ministries and Departments of the Republic of Kazakhstan coordinating decision on license issuance</b>
Pharmaceuticals, medical equipment	2936, 2939-2942, 3003-3005, 9018-9020 (except for 902000900)	Ministry of Health Protection
Pharmaceuticals for veterinary purposes and veterinary equipment	2936-2942, 3001-3004, 3005, 3006, 9018-9022	Ministry of Agriculture
Ivory, horns, hoofs, antlers of young Siberian stag, corals and similar materials	040700900, 0507, 050800000, 0604, 0510, 071230000, 080221000, 080222000, 0810, 0812, 121220000, 1301, 1302 (except for 130219300), 9601	Ministry of Agriculture Ministry of Ecology and Bio-Resources
Pharmaceutical raw materials of vegetable and animal origin	020610100, 020622100, 0020629100, 020630100, 020641100, 020680100, 020690100 (only from wild animals), 0507 (only pharmaceutical raw materials), 051000000, 1211, 121220000, 1302 (except for 130219300), 3001, 3002 (except for finished pharmaceutical)	Ministry of Agriculture Ministry of Ecology and Bio-Resources
Narcotics and psychotropic agents, venoms	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Health Protection Ministry of Ecology and Bio-Resources
Information on the subsurface by region and deposit of fuel and energy and mineral raw materials, located in the territory of the Republic of Kazakhstan and within the boundaries of the continental shelf and marine economic zone. Collection materials on mineralogy and paleontology ( 970500000 - only on mineralogy and paleontology	Export shall be carried out in accordance with Regulation “On the Procedure of Realization (Communication, Exchange, Sale) of Information on the Republic of Kazakhstan Subsurface”, approved by the resolution of the Cabinet Ministers No 1034 of 8 December 1992 on the basis of licenses for mineral resources	Ministry of Geology State Technical Commission of the Republic of Kazakhstan on the Protection of Information

Name of Goods	Code of Commodity Nomenclature	The Ministries and Departments of the Republic of Kazakhstan coordinating decision on license issuance
	utilization issued by the Government of the Republic of Kazakhstan and contracts with mineral resources users (without formulation of export licenses in the Ministry of Industry and Trade)	
Certain types of raw materials, materials, equipment, technologies and scientific-technical information, which may be used in creation of armaments and combat equipment	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Science, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Materials, equipment and technologies which have peaceful application but may be used at creation of rocket, nuclear, chemical and other types of mass destruction weapons	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Science, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Enciphering devices (including enciphering equipment, parts for enciphering equipment and software for enciphering), instructive and technical documentation relating to enciphering devices (including both design and maintenance)	8471 (only enciphering equipment), 847330000, (only to enciphering equipment), 854390900 (only for enciphering equipment)	CNS, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Powder, explosive devices and pyrotechnics	360100000 (except for hunting powder), 360200000, 360300, 3604	Ministry of Internal Affairs
Precious natural stones and items made thereof, waste, powders and recovered precious natural stones, pearls and items made thereof, amber and items made thereof	253090000 (only amber), 7101. 7102, 7103 (only precious stones), 7105 (only of natural precious stones), 7116 (only of pearls and natural precious stones), 820551000 (only glass cutters with encrusted natural diamonds), 820712100, 820720100, 820750100, 820760100, 820790100 (only the tools with the cutting edge of	

Name of Goods	Code of Commodity Nomenclature	The Ministries and Departments of the Republic of Kazakhstan coordinating decision on license issuance
	crystals and ovalised, crushed natural diamonds), 852290300 (only of natural precious stones and diamonds), 960200000 (only processed amber and items made thereof)	
Precious metals, alloys, items made thereof: metals, plated precious metals and items made thereof: ores and concentrated ores of precious metals, wastes and scrap	2616, 2843, 300640000 (only of precious metals), 7106-7112, 711311000, 711319000, 711411000, 711510100, 711590100, 711590900, 7118 (only of precious metals), 8544 (only with conductors of precious metals), 900319100, 902129100, 911110000 (only of precious metals), 911310 (only of precious metals), 960810300, 960839100	
Semi precious stones and items made thereof	710310000 (only semi precious stones), 710399000 (only semi precious stones), 710510900, 711620190 (only of semi precious stones)	Ministry of Geology
Service and civil armaments	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Internal Affairs
Devices for protection from combat poisonous substances, components and accessories therefor	According to the List Defined by the Government of the Republic of Kazakhstan	Ministry of Defense
Instructive documentation relating to products of military designation (design and operation)		Ministry of Defense, State Technical Commission of the Republic of Kazakhstan on the Protection of Information
Rare metals, rare-earth metals, raw materials for manufacture, alloys, compounds and items made thereof	2611, 2613-2615, 2804, 282530, 282619000, 284170, 2846, 8103, 8105, 8106, 8108, 8109, 8112, 8113, 280540100	Ministry of Science

Table A9.2 List of goods export whereof shall be carried out with the permission of the Government of the Republic of Kazakhstan

<b>Names of goods</b>	<b>Code of Commodity Nomenclature</b>
Wild animals, wild plants	010119900, 010290900, 010391900, 010392900, 010410900, 010420900, 010600910, 010600990 (only wild animals), 070951, 070952000, 071080600
Armaments and military equipment, special components for their manufacture, works and services in the sphere of military technology collaboration	871000000, 8802 (except for 880211100, 880212100, 880220100, 880230100, 880240100), 8803 (except for 880310100, 880320100, 880330100, 880390910), 880400000, (only the military designation), 8805 (except for 880520100, 890600100, 930100000, 930200, 9305 (only to combat arms), 9306 (except for 930610000, 930629100, 930629200, 930629100, 930629200, 930629400, 930630910, 930630930, 901310000 (only the military designation), 901320000 (only the military designation), 901380000 (only the military designation), 9014 (only the military designation), 8525 (only the military designation), 8526 (only the military designation)
Nuclear materials, technologies, equipment and installations, special non-nuclear materials, sources of radioactive radiation, including radioactive waste	2612, 2844, 2845, 380110000 (only nuclear pure graphite), 8401

Table A9.3 List of commodity goods subject to contract registration

<b>Name of goods</b>		
<b>1. Grain, agricultural products, products of their processing</b>		
<b>a. Cereals:</b>		
Wheat (all types)	1001	1 wagon
Rye	1002	1 wagon
Barley	1003	1 wagon
Oats	1004	1 wagon

<b>Name of goods</b>		
Maize	1005	1 wagon
Rice-grain, rice-groats	1006	1 wagon
Sorghum	1007	1 wagon
Buckwheat, millet and canary seed	1008	1 wagon
Soya beans, whether or not broken	1201	1 wagon
Rape or colza seeds, whether or not broken	1205	1 wagon
Sunflower seeds, whether or not broken	1206	1 wagon
<b>b. Raw hides and skins and leather:</b>		
Raw hides and skins of bovine or equine animals	4101	50 p
Raw skins of sheep or lambs	4102	500 p
Other raw hides and skins including of goats or kids	4103	500 p
Goat or kid skin leather	4106	4000 sq. dm
Leather of other animals (including swine)	4107	1000 sq.dm
Chamois (including combination chamois) leather	4108	1000 sq.dm
Astrakhan	43013000	1000 sq.dm
Cotton	5201, 5203	5 t
Cotton waste	5202	5 t
Wool	5101	1 t
Fine or coarse animal hair	5102	20 kg
Sunflower-seed, safflower or cotton-seed oil and their fractions but not chemically modified	1512	1t
<b>c. Live animal:</b>		
Horses	0101	10 heads
Bovine animals	0102	10 heads
Swine	0103	50 heads
Sheep and goats	0104	50 heads
Raw, tanned or dressed furskins and articles of fur skin	4301-4303	10 skins
<b>d. Groats:</b>	1103-1105	20 t
<b>2. Production of industrial-technical purposes</b>		
Crude oil (including gas condensate) and products of its processing	2709, 271000330 271000350, 271000510, 271000690, 271000790	

Table A9.4 - Fee schedule for registering contracts at the Commodity Exchanges

Amount	Fee
Less than or equal to US\$ 1 M	0.2% of contract value
Above US\$ 1 M and less than or equal to US\$ 5 M	US\$ 2,000 + 0.1% (of amount exceeding US\$ 1 mln.)
Above US\$ 5 M and less than or equal to US\$ 10 M	US\$ 6,000 + 0.05% (of amount exceeding US\$5 mln.)
Above US\$ 10M	US\$ 8,500 + 0.02% (of amount exceeding US\$ 10 mln.)

## ANNEX 10

### INTELLECTUAL PROPERTY

#### 1. PART I - Fees and Taxes Charged Non-Kazak Citizens by the National Patent Office

Table A10.1 - Fees for Submission of Patent Applications

Type of Patent Application	Fee in US\$
Invention	100.00
Utility Models	90.00
Industrial Designs	70.00
Amendment to Application for Invention, Utility Model, or Industrial Design	20.00

Table A10.2 - Fees for Submission of Trademark Registrations

Type of Registration	Fee in US\$
Trademark	70.00
Right to Use Appellation of Origin	70.00
“Collective Trademark”	140.00

Table A10.3 - Fees for Conducting Patent and Trademark Searches

Type of Search	Fee in US\$
Search on Invention	
Search on a Single Invention	400.00
Search on Multiple Inventions	400.00 plus 320.00 for each additional invention
Where Results of International Search Conducted in Accordance with Standards of the Republic of Kazakhstan	340.00
Search on Industrial Designs	
Single Variant	200.00
2-10 Variants	300.00
10 Variants or More	400.00
Trademark Search	
International Classification of Goods and Services (per class)	140.00
Each Additional Class	35.00
Search on Appellation of Origin	90.00



Table A10.4 - Filing Fees for Submitting Petitions to Board of Appeals of the National Patent Office to Review Denials of Trademark or Patent Applications

Type of Petition to Review	Filing Fees in US\$
Denial of Preliminary Patent Application	
Invention	120.00
Industrial Design	120.00
Denial of Patent Application	
Invention	400.00
Utility Model	150.00
Industrial Design	400.00
Trade Mark Registration	105.00
Registration of Appellation of Origin	105.00

Table A10.5 - Fees for Issuing Preliminary Patents, Patents, and Trademarks

Intellectual Property Right Issued/Registered	Fee in US\$
Preliminary Patent	
Invention	200.00
Industrial Design	200.00
Re-registration of Request for Preliminary Patent	100.00
Patent	
Invention	200.00
Industrial Design	200.00
Utility Model	300.00
Re-registration of Request for Patent	100.00
Registration and Issuance of Certificate for	
Trade Mark	70.00
Appellation of Origin	70.00

Table A10.6 - Miscellaneous Fees

<b>Request</b>	<b>Fee in US\$</b>
Petition to File Late Application	200.00
Petition to Re-Characterize Application	
From Invention to Utility Model	50.00
From Utility Model to Industrial Design	50.00
Extension of Trade Mark Certification	140.00
For Each Additional Class	70.00
For Appellation of Origin	140.00
Amendments	
To Trade Mark Register and Certificate	70.00
Appellation of Origin	70.00
For Registering Agreement to Transfer	
Rights to Preliminary Patent	250.00
Rights to Patent	250.00
Rights to Trade Mark	250.00
Rights Pursuant to Licensing Agreement	250.00
Amendments to Licensing Agreement	70.00
Submission of Application for Issuance of Open License and Publication Thereof	70.00

Table A10.7 - Annual Duties to Maintain Validity of Preliminary Patent or Patent

<b>Number of Years</b>	<b>Preliminary Patent on Invention</b>	<b>Patent on Invention</b>	<b>Patent on Utility Model</b>	<b>Preliminary Patent on Industrial Design</b>	<b>Patent on Industrial Design</b>
1-2	100.00	-	70.00	70.00	-
3	100.00	100.00	70.00	70.00	70.00
4-5	150.00	150.00	210.00	105.00	105.00
6-7	-	200.00	210.00	-	120.00
8	-	300.00	210.00	-	130.00
9	-	300.00	-	-	130.00
10	-	300.00	-	-	150.00
11-12	-	400.00	-	-	220.00
13-14	-	600.00	-	-	220.00
15	-	600.00	-	-	220.00
16-18	-	700.00	-	-	-
19-20	-	800.00	-	-	-

2. **PART II - Fees and Taxes Charged to Citizens of the Republic of Kazakhstan by the National Patent Office**

Table A10.8 - Fees for Submission of Patent Applications

Type of Patent Application	Fee in US\$
Invention	1/2 monthly evaluation index <sup>1</sup>
Utility Models	1/2 monthly evaluation index
Industrial Designs	1/2 monthly evaluation index
Amendment to Application for Invention, Utility Model, or Industrial Design	1/4 monthly evaluation index

Table A10.9 - Fees for Submission of Trademark Registrations

Type of Registration	Fee in US\$
Trademark	1/2 monthly evaluation index
Right to Use Appellation of Origin	1/2 monthly evaluation index
“Collective Trademark”	1 monthly evaluation index

Table A10.10 - Fees for Conducting Patent and Trademark Searches

Type of Search	Fee in US\$
Search on Invention	
Search on a Single Invention	2 monthly evaluation index
Search on Multiple Inventions	2 monthly evaluation index for search on first invention and 80% of 2 monthly evaluation index for each additional invention
Where Results of International Search Conducted in Accordance with Standards of the Republic of Kazakhstan	85% of 2 monthly evaluation index
Search on Industrial Designs	
Single Variant	1 monthly evaluation index
2-10 Variants	1.33 monthly evaluation index
10 Variants or More	1.75 monthly evaluation index
Trademark Search	
International Classification of Goods and Services (per class)	1 monthly evaluation index
Each Additional Class	1/4 monthly evaluation index
Search on Appellation of Origin	1 monthly evaluation index

<sup>1</sup>It is an internal government index updated quarterly. It corresponds to Tenge 460.

Table A10.11 - Filing Fees for Submitting Petitions to Board of Appeals of the National Patent Office to Review Denials of Trademark or Patent Applications

Type of Petition to Review	Filing Fees in US\$
Denial of Patent Preliminary Patent Application	
Invention	1/2 monthly evaluation index
Industrial Design	1/2 monthly evaluation index
Denial of Patent Application	
Invention	1 monthly evaluation index
Utility Model	1 monthly evaluation index
Industrial Design	3/4 monthly evaluation index
Trade Mark Registration	3/4 monthly evaluation index
Registration of Appellation of Origin	3/4 monthly evaluation index

Table A10.12 - Fees for Issuing Preliminary Patents, Patents, and Trademarks

Intellectual Property Right Issued and Registered	Fee in US\$
Preliminary Patent	
Invention	1/2 monthly evaluation index
Industrial Design	1/2 monthly evaluation index
Re-registration of Request for Preliminary Patent	1/2 monthly evaluation index
Patent	
Invention	1/2 monthly evaluation index
Industrial Design	1/2 monthly evaluation index
Utility Model	1/2 monthly evaluation index
Re-registration of Request for Patent	1/2 monthly evaluation index
Registration and Issuance of Certificate for	
Trade Mark	1/2 monthly evaluation index
Appellation of Origin	1/2 monthly evaluation index

Table A10.13 - Miscellaneous Fees

<b>Request</b>	<b>Fee in US\$</b>
Petition to File Late Application	1 monthly evaluation index
Petition to Re-Characterize Application	
From Invention to Utility Model	1/4 monthly evaluation index
From Utility Model to Industrial Design	1/4 monthly evaluation index
Extension of Trade Mark Certification	1 monthly evaluation index
For Each Additional Class	1/2 monthly evaluation index
For Appellation of Origin	1/2 monthly evaluation index
Amendments	
To Trade Mark Register and Certificate	
Appellation of Origin	
For Registering Agreement to Transfer	
Rights to Preliminary Patent	
Rights to Patent	
Rights to Trade Mark	
Rights Pursuant to Licensing Agreement	
Amendments to Licensing Agreement	
Submission of Application for Issuance of Open License and Publication Thereof	

Table A10.14 - Annual Duties to Maintain Validity of Preliminary Patent or Patent<sup>1</sup>

Year of Patent Validity	Preliminary Patent for Invention	Patent for Invention	Patent for Utility Model	Preliminary Patent for Industrial Design	Patent for Industrial Design
1-st and 2-nd	1/2	--	1/3	1/3	--
3-rd	1/2	1/2	1/3	1/3	1/3
4-th and 5-th	3/4	3/4	1	1/2	1/2
6-th and 7-th	--	1	1	--	3/4
8-th	--	1.5	1	--	1
9-th	--	1.5	--	--	1
10-th	--	2	--	--	1.5
11-th and 12-th	--	2	--	--	2
13-th and 14-th	--	3	--	--	2
15-th	--	3	--	--	2
16-th - 18-th	--	3.5	--	--	--
19-th and 20-th	--	4	--	--	--

### 3. PART III - Statistical Data

Table A10.15 - Statistical Data on Intellectual Property Applications To the National Patent Office<sup>1</sup>

Type of Application	Total Applications	Total Granted	Total Pending	Total Refused
Invention	8,483	2,000	6481	2
Utility Model	59	17	42	none
Industrial Design	137	94	20	23
Trade Mark	23,957	2,836	21121	none
Appellation of Origin	6	none	6	none

<sup>1</sup> All amounts referenced in Table 7 are expressed in terms of monthly wages.

<sup>1</sup>All amounts referenced in Table A10.14 are expressed in terms of monthly wages.

**ANNEX 11**

**AGRICULTURAL SUBSIDIES**

Supporting Table ES:1

**EXPORT SUBSIDIES: KAZAKHSTAN**

**REPORTING PERIOD: calendar years 1994 -1996**

*Export Subsidies: Outlay and Quantity*

Description of basic products	Direct export subsidies	Sales of Stock	Producer financed subsidies	Cost reduction measures	Internal transport subsidies	Total product specific export subsidies	Quantity of subsidies	Data sources
1	2	3	4	5	6	7	8	9

Such subsidies are not applied



**Supporting Table DS:1**

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: 1994 calendar year**

*Measures exempt from the reduction commitment - "Green Box".*

Measure name	Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures, Thousand Tenge	Data sources
1	2	3	4	5
2.a. Research, including general research, research in connection with environmental programs, and research programs relating to particular products	<b>"General services"</b>	Infrastructure services, advisory and consulting services, technology services, forecasting in the field of plantation	38,561	Documents of Budget, Ministry of Agriculture
b. Pest and disease control, including general and product-specific pest and disease control measures, such as early-warning systems, quarantine and eradication	<b>"General services"</b>	Veterinary and plants protection measures	226,217	Documents of Budget, Ministry of Agriculture
d. Extension and advisory services, including the provision of means to facilitate the transfer of information and the results of research to producers and consumers	<b>"General services"</b>	Hydrogeological melioration measures and machinery testing services	59,336	Documents of Budget, Ministry of Agriculture
e. Inspection services, including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes	<b>"General services"</b>	Development of infrastructure Republic State seeds inspection and State agricultural machinery supervision (Gosseltechnadzor)	32,217	Documents of Budget, Ministry of Agriculture
f. Marketing and promotion services, including market information, advice and promotion relating to particular products but excluding expenditure for unspecified purposes that could be used by sellers to reduce their selling price or confer a direct economic benefit to purchasers	<b>"General services"</b>	Development of infrastructure of: 1. State food contractual corporation 2. Publishing house 3. Agro-industrial complex	6,621 13,322 1,394,000	Documents of Budget, Ministry of Agriculture
3. Public stockholding for food security purposes	<b>"General services"</b>	State procurement of grain	5,386,486	Documents of Budget, Ministry of Agriculture
<b>TOTAL: Thousand Tenge</b>			<b>7,156,760</b>	
<b>Thousand US\$</b>			<b>200,133</b>	

Supporting Table DS:1

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: 1995 calendar year**

*Measures exempt from the reduction commitment - "Green Box"*

Measure name	Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures, Thousand Tenge		Data sources
			1	2	
2. a.	Research, including general research, research in connection with environmental programs, and research programs relating to particular products	Infrastructure services, advisory and consulting services, technology services, forecasting in the field of plantation		19,777	Documents of Budget, Ministry of Agriculture
b.	Pest and disease control, including general and product-specific pest and disease control measures, such as early-warning systems, quarantine and eradication	Veterinary and plants protection measures		1,126,442	Documents of Budget, Ministry of Agriculture
d.	Extension and advisory services, including the provision of means to facilitate the transfer of information and the results of research to producers and consumers	Hydrogeological melioration measures and machinery testing services		143,421	Documents of Budget, Ministry of Agriculture
e.	Inspection services, including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes	Development of infrastructure Republic State seeds inspection and State agricultural machinery supervision (Gosseltechnadzor)		100,441	Documents of Budget, Ministry of Agriculture
f.	Marketing and promotion services, including market information, advice and promotion relating to particular products but excluding expenditure for unspecified purposes that could be used by sellers to reduce their selling price or confer a direct economic benefit to purchasers	Development of infrastructure of: 1. State food contractual corporation 2. Publishing house 3. Agro-industrial complex		100 16 5,894,116	Documents of Budget, Ministry of Agriculture
3.	Public stockholding for food security purposes	State procurement of grain		2,606,646	Documents of Budget, Ministry of Agriculture
<b>TOTAL: Thousand Tenge</b>				<b>9,890,959</b>	
<b>Thousand US\$</b>				<b>162,333</b>	

**Supporting Table DS:1**

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: 1996 calendar year**

*Measures exempt from the reduction commitment - "Green Box"*

Measure name	Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measures, Thousand Tenge	Data sources
1	2	3	4	5
2.a. Research, including general research, research in connection with environmental programs, and research programs relating to particular products	<b>"General services"</b>	Infrastructure services, advisory and consulting services, technology services, forecasting in the field of plantation	111,262	Documents of Budget, Ministry of Agriculture
b. Pest and disease control, including general and product-specific pest and disease control measures, such as early-warning systems, quarantine and eradication	<b>"General services"</b>	Veterinary and plants protection measures	1,880,791	Documents of Budget, Ministry of Agriculture
d. Extension and advisory services, including the provision of means to facilitate the transfer of information and the results of research to producers and consumers	<b>"General services"</b>	Hydrogeological melioration measures and machinery testing services	195,020	Documents of Budget, Ministry of Agriculture
e. Inspection services, including general inspection services and the inspection of particular products for health, safety, grading or standardization purposes	<b>"General services"</b>	Development of infrastructure Republic State seeds inspection and State agricultural machinery supervision (Gosseltechnadzor)	198,002	Documents of Budget, Ministry of Agriculture
f. Marketing and promotion services, including market information, advice and promotion relating to particular products but excluding expenditure for unspecified purposes that could be used by sellers to reduce their selling price or confer a direct economic benefit to purchasers	<b>"General services"</b>	Development of infrastructure of: 1. Agro-industrial complex	627,836	Documents of Budget, Ministry of Agriculture
3. Public stockholding for food security purposes	<b>"General services"</b>	State procurement of grain	6,000,000	Documents of Budget, Ministry of Agriculture
<b>TOTAL: Thousand Tenge</b>			<b>9,012,911</b>	
<b>Thousand US\$</b>			<b>138,660</b>	

Supporting Table DS:2

**DOMESTIC SUPPORT: KAZAKHSTAN**

**REPORTING PERIOD: calendar year 1994**

*Measures exempt from the reduction commitment - Special and Different Treatment - "Development Programs" (thousand US\$)*

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measure in year in question	Data sources
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
(a) "Investment subsidies generally available to agriculture"	1. Preferential credit to agriculture	129,959	NBK, ExImbank
	2. State loan guarantees	93,301	Ministry of Finance
<b>TOTAL: Thousand US\$</b>		<b>223,260</b>	

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1995

*Measures exempt from the reduction commitment - Special and Different Treatment - "Development Programs" (thousand US\$)*

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measure in year in question	Data sources
1	2	3	4
(a) "Investment subsidies generally available to agriculture"	1. Preferential credit to agriculture	1,068	ExIm Bank of Kazakhstan
	2. State loan guarantees	133,067	Ministry of Finance
<b>TOTAL: Thousand US\$</b>		<b>134,135</b>	

Supporting Table DS:2

**DOMESTIC SUPPORT: KAZAKHSTAN**

**REPORTING PERIOD: calendar year 1996**

*Measures exempt from the reduction commitment - Special and Different Treatment - "Development Programs" (thousand US\$)*

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measure in year in question	Data sources
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
(a) "Investment subsidies generally available to agriculture"	1. Preferential credit to agriculture	39,894	National Bank of Kazakhstan (NBK), ExIm Bank of Kazakhstan
	2. State loan guarantees	0	Ministry of Finance
	3. Provision of Agricultural Machinery on the leasing basis	9,000	Documents of Budget, Ministry of Agriculture
<b>TOTAL: Thousand US\$</b>		<b>48,894</b>	
(b) Input subsidies generally available to low-income or resource-poor producers	1. Subsidies through the Fund of support of Small and Medium Business	50,000	Documents of Budget, Ministry of Agriculture
<b>TOTAL: Thousand US\$</b>		<b>98,894</b>	

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar years 1994 - 1996

*Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programs-"Exempt Direct Payments"*

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value of measure in year in question	Data sources
1	2	3	4
(a)	"payments based on fixed area and yields"		
(b)	"payments based on 85 per cent or less of the base level of production"		
(c)	"livestock payments made on a fixed number of head"		

Such subsidies are not applied

Supporting Table DS:4

**DOMESTIC SUPPORT: KAZAKHSTAN**

**REPORTING PERIOD: calendar year 1994**

*Calculation of the Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below), Thousand Tenge	Product-specific measurement of support (from Supporting Tables DS:8 below)	Current Total AMS (aggregate), Thousand Tenge
1	2	3	4

Such subsidies are not applied



Supporting Table DS:4

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: calendar year 1995**

*Calculation of the Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below), Thousand Tenge	Product-specific measurement of support (from Supporting Tables DS:8 below)	Current Total AMS (aggregate), Thousand Tenge
1	2	3	4
Basic products			
1. Seeds of sugar beet	83,800	----	83,800
2. Vegetables and potatoes	114,000	----	114,000
3. Maize	76,200	----	76,200
4. Plants protection	30,000	----	30,000
5. Fertilizers	77,600	----	77,600
6. Cattle	1326,240	----	1326,240
7. Live animals	60,920	----	60,920
8. Fruits	40,000	----	40,000
9. Fuel	1,605,837	----	1,605,837
TOTAL:		Thousand Tenge	3,414,597
		Thousand US\$	56,041
Non-product specific AMS			
1. Reschedule of arrears, Thousand US\$	525,193	----	525,193
2. Forgiven debt , Thousand US\$	468	----	468
Total Non-product-specific AMS (from Supporting Table DS:9 below), Thousand US\$			525,661
TOTAL: Current total AMS (Thousand US\$)			581,702

Supporting Table DS:4

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD:** calendar year 1996 (actual as of 27.05.96)

*Calculation of the Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	1			
	2	3	4	
<b>Basic products</b>				
1. Seeds of sugar beet	130,000	---		130,000
2. Vegetables and potatoes	16,500	---		16,500
	35,500			35,500
3. Maize	241,100	---		241,100
4. Plants protection	287,400	---		287,400
5. Fertilizers	20,500	---		20,500
6. Cattle	2,500	---		2,500
7. Live animals	309,000	---		309,000
8. Fruits	15,000	---		15,000
9. Fuel	82,500	---		82,500
		<b>TOTAL:</b>	<b>Thousand Tenge</b>	<b>1,140,000</b>
			<b>Thousand US\$</b>	<b>17,538</b>
<i>Non-product specific AMS</i>				
1. Reschedule of arrears, <b>Thousand US\$</b>		---		
		<b>Total Non-product-specific AMS (from Supporting Table DS:9 below), Thousand US\$</b>		
				<b>35,938</b>
<b>TOTAL: Current total AMS (Thousand US\$)</b>				<b>53,476</b>

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar years 1994 -1996

*Product Specific Aggregate Measure of Support: Market Price Support*

Description of basic products	Calendar/marketing year beginning	Measure type	Applied administered price	External reference price	Eligible production	Associated fees/levies	Total market price support	Data sources
1	2	3	4	5	6	7	8	9

Such subsidies are not applied

Supporting Table DS:6

**DOMESTIC SUPPORT: KAZAKHSTAN**  
**REPORTING PERIOD: calendar year 1994**

*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payment*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total direct payments, Thousand Tenge	Data source
1	2	3	4	5

Such subsidies are not applied

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1995

*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payment*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total direct payments, Thousand Tenge		Data source
			2	4	
1. Seeds of sugar beet	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies		83,800	Ministry of Agriculture
2. Vegetables and potatoes	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies		114,000	Ministry of Agriculture
3. Maize	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies		76,200	Ministry of Agriculture
4. Plants protection	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies		30,000	Ministry of Agriculture
5. Fertilizers	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies		77,600	Ministry of Agriculture
6. Cattle	01.01.95	Financial support to Agro-producers in development of cattle reproduction pedigree breeding, support of sheep-breeding farms, improve sanitary conditions of animals development of farms		247,040 55,000 901,200 123,000	Ministry of Agriculture
7. Live animals	01.01.95			60,920	Ministry of Agriculture
8. Fruits	01.01.95	development of gardening		40,000	Ministry of Agriculture
9. Fuel	01.01.95	clearing for fuel-lubricant naturals		1,605,837	Ministry of Agriculture
<b>TOTAL:</b>			<b>Thousand Tenge</b>	<b>3,414,597</b>	
			<b>Thousand US\$</b>	<b>56,041</b>	

Supporting Table DS:6

**DOMESTIC SUPPORT: KAZAKHSTAN**

**REPORTING PERIOD: calendar year 1996 (actual as of 27.05.96)**

*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payment*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total direct payments, Thousand Tenge		Data source
			1	2	
1. Seeds of grain crops	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		130,000	Ministry of Agriculture
2. Vegetables and potatoes	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		16,500 35,500	Ministry of Agriculture
3. Fertilizers	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		241,100	Ministry of Agriculture
4. Plants protection	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		287,400	Ministry of Agriculture
5. Maize	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		20,500	Ministry of Agriculture
6. Sugar beets	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies		2,500	Ministry of Agriculture
7. Live animals	01.01.96	Support of agricultural producers in development of cattle reproduction, and support of sheep breeding		309,000	Ministry of Agriculture
8. Poultry	01.01.96	Development of poultry		15,000	Ministry of Agriculture
9. Other	01.01.96	Development of farms		82,500	Ministry of Agriculture
<b>TOTAL:</b>	<b>Thousand Tenge</b>			<b>3,414,597</b>	
	<b>Thousand US\$</b>			<b>56,041</b>	

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1994

*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific Support*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total AMS, Thousand Tenge	Data source
1	2	3	4	5

Such subsidies are not applied

Supporting Table DS:7

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: calendar year 1995**

*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific Support*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total AMS, Thousand Tenge		Data source
			1	2	
1. Seeds of sugar beet	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies	83,800		Ministry of Agriculture
2. Vegetables and potatoes	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies	114,000		Ministry of Agriculture
3. Maize	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies	76,200		Ministry of Agriculture
4. Plants protection	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies	30,000		Ministry of Agriculture
5. Fertilizers	01.01.95	Support of agricultural producers in development of plantation and usage of modern technologies	77,600		Ministry of Agriculture
6. Cattle	01.01.95	Financial support to Agro-producers in development of cattle reproduction pedigree breeding, support of sheep-breeding farms, improve sanitary conditions of animals development of farms	247,040 55,000 901,200 123,000 60,920		Ministry of Agriculture
7. Live animals	01.01.95				Ministry of Agriculture
8. Fruits	01.01.95	development of gardening	40,000		Ministry of Agriculture
9. Fuel	01.01.95	clearing for fuel-lubricant naturals	1,605,837		Ministry of Agriculture
<b>TOTAL:</b>			<b>3,414,597</b>		
			<b>Thousand Tenge</b>		
			<b>Thousand US\$</b>		
			<b>56,041</b>		



## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1996 (actual as of 27.05.96)

*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific Support*

Description of basic products	Calendar/marketing year beginning	Measure type(s)	Total AMS, Thousand Tenge		Data source
			1	2	
1. Seeds of grain crops	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	130,000		Ministry of Agriculture
2. Vegetables and potatoes	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	16,500		Ministry of Agriculture
3. Fertilizers	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	35,500		Ministry of Agriculture
4. Plants protection	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	241,100		Ministry of Agriculture
5. Maize	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	287,400		Ministry of Agriculture
6. Sugar beets	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	20,500		Ministry of Agriculture
7. Live animals	01.01.96	Support of agricultural producers in development of plantation and usage of modern technologies	2,500		Ministry of Agriculture
8. Poultry	01.01.96	Support of agricultural producers in development of cattle reproduction, and support of sheep breeding	309,000		Ministry of Agriculture
	01.01.96	Development of poultry	15,000		Ministry of Agriculture
9. Other	01.01.96	Development of farms	82,500		Ministry of Agriculture
<b>TOTAL:</b>			<b>1,140,000</b>		
			<b>Thousand Tenge</b>		
			<b>Thousand US\$</b>	<b>17,538</b>	

Supporting Table DS: 8

**DOMESTIC SUPPORT: KAZAKHSTAN**  
**REPORTING PERIOD: calendar years 1994 - 1996**  
*Product Specific Equivalent Measurements of Support*

Description of basic products	Calendar/ marketing year beginning	Measure type	Applied administered price	Production eligible to receive the applied administrat ed price	Market price support budgetary outlays	Equivalent measurement of support (include calculation details)	Non-exem pt direct payments	Other product- specific support	Associated fees/levies	Total monetary value of equivalent commitment	Data sources
1	2	3	4	5	6	7	8	9	10	11	12

Such subsidies are not applied

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1994

*Non-Product-Specific Aggregate Measurements of Support*

Measure type(s)	Calendar/marketing year beginning	Non-product-speci fic budgetary outlays	Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product specific support, Thousand US\$	Data source
1	2	3	4	5	6	7

Such subsidies are not applied

Supporting Table DS:9

**DOMESTIC SUPPORT: KAZAKSTAN**

**REPORTING PERIOD: calendar year 1995**

*Non-Product-Specific Aggregate Measurements of Support*

Measure type(s)	Calendar/marketing year beginning	Non-product-speci fic budgetary outlays	Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product specific support, Thousand US\$	Data source
1	2	3	4	5	6	7
1. Reschedule of arrears	01.01.95	525,193	--	--	525,193	Ministry of Finance
2. Forgiven debt	01.01.95	468	--	--	468	Ministry of Finance
<b>TOTAL: Thousand US\$</b>			--		<b>525,661</b>	

## DOMESTIC SUPPORT: KAZAKSTAN

REPORTING PERIOD: calendar year 1996<sup>a</sup>*Non-Product-Specific Aggregate Measurements of Support*

Measure type(s)	Calendar/marketing year beginning	Non-product-speci fic budgetary outlays	Other non-product-specific support (include calculation details)	Associated fees/levies	Total non-product specific support, Thousand US\$	Data source
1	2	3	4	5	6	7
1. Reschedule of arrears	01.01.96	35,938	--	--	35,938	Ministry of Finance
<b>TOTAL: Thousand US\$</b>			--	--	<b>35,938</b>	

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<sup>a</sup>for the 1st half of the year