

5 November 2014

To our clients and friends

INFORMATION MEMORANDUM
regarding amendments
to the current legislation of the Republic of Kazakhstan
in October 2014

In October 2014, the Republic of Kazakhstan (hereinafter, the RK) adopted more than 50 new normative legal acts, more than 20 previously adopted normative legal acts entered into legal force, and certain draft laws were submitted for consideration by the RK competent authorities.

In this Information Memorandum we have presented only those normative legal acts and draft laws, which we deem most important for the practical activities of legal entities.

1. Laws of the Republic of Kazakhstan

1. RK Law No. 240-V "On Ratification of the Eurasian Economic Union Agreement" dated 14 October 2014.
2. RK Law No. 243-V "On Ratification of the Convention on Promotional Framework for Occupational Safety and Health (Convention 187)" dated 20 October 2014.

[ÆQUITAS Note: The purpose of the Convention 187 (Geneva, 15 June 2006) is to prevent the events of occupational injuries, diseases and deaths, by the development, in consultation with the most representative organizations of employers and workers, of a national policy, national system and national program.]

2. Decrees of the Government of the Republic of Kazakhstan

1. Decree No. 1083 of the RK Government "On Approval of the Agreement between the Government of the RK and the Government of the Republic of Korea on Mutual Cancellation of Visa Requirements" dated 9 October 2014.

[ÆQUITAS Note: The Agreement provides for establishment, on a reciprocal basis, of visa-free entry for citizens of both countries for a period up to 60 days. A visa entry procedure remains in effect for persons who intend to carry out labor or mission activities, study at educational institutions or reside in the territory of another country.]

2. Decree No. 1104 of the RK Government "On Approval of the Forms and Deadlines for Reporting on Implementation of Associated Gas Processing Development Program" dated 16 October 2014.



3. Decree No. 1047 of the RK Government "On Introduction of Amendment into the Decree No. 123 of the RK Government of 10 February 2011 on Approval of the Unified Rules for Efficient and Complex Use of Subsoil in the Course of Exploration and Production of Minerals" dated 30 September 2014.

[ÆQUITAS Note: The Decree increases the permitted norm for allowable production of raw hydrocarbons by a subsoil user established by the design documents. The Decree allows exceeding the actual annual production over the design indices for not more than ten percent (instead of previously established two percent). The amendment is effective starting 19 October 2014.]

4. Decree No. 793 of the RK Government "On Approval of the Rules for Determining the Country of Origin of Goods, Executing, Certifying and Issuing the Certificates of Origin of Goods, and on Voiding Certain Resolutions of the RK Government" dated 16 July 2014.
5. Decree No. 1065 of the RK Government "On Introduction of Amendments into the Decree No. 45 of the RK Government of 13 January 2012 on Approval of the Rules for Establishing Quota for Foreign Labor Engagement in the RK, Rules and Conditions for Issuing Job Placement Permits to Foreign Employees and Work Permits to Employers for Foreign Labor Engagement" dated 8 October 2014.

[ÆQUITAS Note: The Decree supplements the established list of foreign employees with respect to whom no foreign labor engagement permit is required, by the following category of foreign employees:

- *employees who work with the RK legal entities entering into investment contracts for implementation of the investment priority project and employees working with organizations attracted by the said legal entities (or by their contractors) as a general contractor, contractor, subcontractor or service provider in the sphere of architecture, town planning and construction activities (including survey and design activities and engineering services), for a period not to exceed one year of the date of putting subject of investment activities into operation, as the heads and specialists with higher education, and qualified employees according to the list of professions and number of employees, defined in investment contracts for implementation of investment priority project.*

The Decree entered into legal force on 25 October 2014.]

3. Orders of the Competent Officials of the Republic of Kazakhstan

Order No. 16 of the Minister of Health and Social Development of the RK "On Approval of the Model Labor Arbitration Regulations" dated 20 August 2014.

[ÆQUITAS Note: The approved Regulations define the objectives and functions of the Labor Arbitration, procedure for considering a collective labor dispute and other. The Order will be put into effect on 10 November 2014.]

4. Resolutions of the Management Board of the National Bank of the Republic of Kazakhstan

1. Resolution No. 151 of the Management Board of the RK National Bank "On Approval of the Rules for Carrying Out Actuarial Activities, Issuing Licenses for Carrying Out Actuarial Activities, Passing Qualification Exams by an Actuary, Engaging Independent Actuary to Check Actuary's Activities, Sending by an Independent Actuary of Results of Checking Accuracy of Calculations Performed by Actuary Employed on Staff of Insurance (Reinsurance) Organization" dated 16 July 2014.
2. Resolution No. 146 of the Management Board of the RK National Bank "On Establishing a Prudential Norm for Organizations Carrying Out Broker and/or Dealer Activities on the Securities Market, and on Approval of the Rules for Calculating the Prudential Norm for Organizations Carrying Out Broker and/or Dealer Activities on the Securities Market" dated 16 July 2014.

5. Draft Laws of the Republic of Kazakhstan

RK Draft Law "On Ratification of the Convention on Mutual Administrative Assistance in Tax Matters (Strasbourg, 25 January 1988)" was submitted for consideration to the Mazhilis of the RK Parliament.

[AEQUITAS Note: The Convention provides for rendering administrative mutual assistance in tax matters by the member countries. Such assistance may be expressed in the application by judicial authorities of the following measures:

- a) information exchange, including carrying out of concurrent tax inspections and participation in tax inspections carried out abroad;*
- b) assistance in tax collection, including adoption of security measures;*
- c) sending of documents.]*

Should you be interested in any of the above normative legal acts and/or draft laws, we may provide you with its text in Russian, and, if possible, in the English language.

We could also provide you with the analysis of the normative legal acts of interest to you from the point of view of their legal peculiarities and significance for your business.

Best regards,

AEQUITAS Law Firm