***Title page***

**Guidance**

**for support of the interested investors with the mechanisms description for privilege and preference receipt in tourism in Kazakhstan**

***CONTENT***

|  |  |
| --- | --- |
| ***• brief description OF EKO. general description OF THE REGION. administrative division. CLIMATE. population allocation……………………….*** | ***3*** |
| ***• THE LIST OF ALL STATE PROGRAMS (as a part of WHICH THE SUPPORT OF INVESTORS AND entrepreneurS IS ENSURED IN TOURISM) AND STATE BODIES (program administratorS)……………………………………………………………………*** | ***5*** |
| * ***ProcedureS AND step-by-step action algorithmS OF EACH preference AND privilegeS/subsidies ……………………………………………………………………………..*** | ***24*** |
| * ***ACTION algorithm/*** ***sequence IN CASE OF FULL OR PARTIAL OBLIGATIONS NONFULFILLMENT (FUNCTIONS) BY STATE BODIES …………………………………………*** | ***29*** |
| * ***subsidization OF carrierS loss by means of budgetary funds, CONNECTED WITH THE fulfilment OF social-mean passenger transport …………………….*** | ***34*** |
| * ***reimbursement of the partial expenses of the industrial innovation activity subjects on promotion of the domestic processed commodities, works and services on the domestic market ………………………………………..*** | ***40*** |
| * ***Comments regarding the collisions and neglects/*** ***disadvantages of regulatory legal acts, offers on their decision or ACTION algorithm/*** ***sequence …………………………………………………………………..………………………..*** | ***43*** |

***• BRIEF DESCRIPTION OF EKO. GENERAL DESCRIPTION OF THE REGION. ADMINISTRATIVE DIVISION. CLIMATE. POPULATION ALLOCATION.***

**Brief Description of EKO.**

East-Kazakhstan Oblast is one of the most beautiful regions, endowed with the wonderful natural contrasts. It includes actually all landscape-zonal conditions and it is famous for the radon baths - “Rakhmanovskie keys”.

East Kazakhstan is the unique region in every respect, including the attraction as an investment and increased interest to the mutual cooperation in many spheres of economic activity.

**General description of the region.**

Areally, our region **takes the 3rd place** among the regions or **10%** (283,3 thous. sq.kilometers) **of the total Kazakhstan territory.** The population is about 1,4 mln.people, representing **more than 100 ethnos.**

East Kazakhstan has the unique natural resources.

On the region territory, **the stocks of 24% lead, 41% zinc, 45% copper** of totalrepublican reservesare concentrated. Apart from them, there are deposits of gold, tin, tantalic oxide, giant, magnesium, nickel and cobalt.

**More than 40% of all Kazakhstan water storages are** concentrated in East-Kazakhstan Oblast. The region has more than 2000 lakes, including 18 large, more than 1200 rivers, including 20 with the length of 100 km. Here **more than 70% of republican industrial standing volume is concentrated.**

Due to own resources, the region stays as the **largest industrial, energy, transport and cultural region of the republic.**

The biggest industrial organizations of the region work in such spheres of processing industries as metallurgy and engineering. **The unit weight of the industry** in gross regional product is **about 30%.**

There is the **biggest integrated manufacturer of** **lead, zinc, gold, and silver – Kazzinc LLP.**

**Ulba Metallurgical Plant JSC is** the **one of the three** world enterprises that has **beryllium production.** This is the **exclusive** enterprise **in CIS countries** on production of **tantalean products,** as well as that has **unique production of uranium feed** for nuclear power plants.

Today, there are only **7 titanium magnesium plants in the world,** the biggest is **Ust-Kamenogorsk titanium magnesium plant**. The enterprise products **are supplied by such companies as “Boing”, “Aerobaz”.**

Also, there is an Asia Avto JSC working in the region; an assembly and vehicle manufacturing enterprise, within the framework of its **enlargement, a construction** of the total cycle car factory and technopark for the production of automotive components **were started** in **Ust-Kamenogorsk city**.

East-Kazakhstan Oblast has **the longest network of public roads** in the republic (11 842 km.).

An agriculture is dynamically developed. The region is the monopolist on **sunflower seeds, honey and antlers production,** it takes the first place in the republic on **milk production, and the 3rd place on meat and potatoes production.** By the number of the main types of farm animals and birds, the region takes the leading position in the republic. By the number of the cattle, the region takes the 3rd place, by the number of **red deers, dappled deers the region is the monopolist.** In the region household, there is about two thirds of the republican volume of bee colonies.

The region has a **big** **touristic potential** and takes the **first place** **in the republic** for the number of the **tourists** **location and it is the one of the five Kazakhstani regions oriented for the development of the tourism cluster model.** Due to own climate and natural conditions in the region, **almost all types of tourism can be developed here** from winter ski destinations to summer beach tourism. A “Kazakhstani Altai” territory due to its landscape and biological diversity is included into the 200 priority global environmental regions of the world, defined by the International Organization «WWF Living Planet».

For the districts and cities, the region is characterized by the **following specialization in tourism:**

- eco-tourism (in Katon-Karagai, Kurchum districts, Ridder city);

- cultural-cognitive (in Ust-kamenogorsk city, Semey city, Abay, Tarbagatay and Ulan districts);

- therapeutic and medical (in Semey city, Katon-Karagai, Urdzhar districts);

- beach (in Zyryanovsk, Ulan, Kurchum districts and Urdzhar districts);

- ski (in Glubokovsk, Zyryanovsk districts and Ridder city);

- rural tourism (in Katon-Karagai, Kurchum districts and Ridder city).

**Administrative division.**

There are 15 rural zones, 10 cities, 754 towns and villages, 244 rural and aul districts in the region.

**Climate.**

Concerning the natural and climatically, the East Kazakhstan is the unique region. Steppe, desert and mountain-taiga landscapes are neighboring here. In the north and east parts of the territory, there are the foothills and ranges of the West, Central and South Altai, in the depths of which the wealth of the stocks of colored, precious and rare-earth metals are contained. In the South of Altai Mountains the arid Zaisan Valley is spread, confined from the south side with the Saur-Tarbagatay ridge. All south-west and west part of the region is represented by the Kazakh upland. In the central part, hilly plains of Kalba Mountains prevail. The forests occupy 11,9% of region territory. Essentially, the forest massifs are located on the mountain ranges of Altai Mountains. Here the hardwoods are widespread. In the lowest belt of the forest area, the leafy and mixed forests are widespread. A special point of interest is tape pine forests in the north-west region. All together, on the Rudny Altai there are more than 1000 species of the plant world representatives, more than 300 species of different birds, about 100 species of mammals are living. In forests and steppes elk, mountain goat, argali, musk deer, roe, wolf, bear, trot, ermine, weasel, sable, polecat, Siberian weasel, fox, rabbits are found. In the upper reaches of the river Bukhtarma red deer is preserved. In the foothills, along the coasts of rivers and lakes, a wild boar is inhabited.

The region climate is sharply continental, with the big amplitude of daily, seasonal and annual average air temperature fluctuations. The coldest months are January and February with the monthly mean temperature from -17 °С to -23,8 °С on the north in the mountains of Rudny Altai and in high mountain basins and from -14,1°С to -16,6°С in the mountains of the south part. The warmest month is July, its monthly mean temperature from +14°С to +16,6°С, on high 1000-1500 m. above sea level -0°С, the temperature is slightly higher in foothills and in the plain part.

The regional unique and manifold natural conditions can encourage the active development of tourism at corresponding investments.

**Population allocation.**

The region population as of 1 January 2015 is 1395 thous. people. The average density of population in the region per 1 sq. km is 4,9 people.

1. Ust-Kamenogorsk city - 314,06 thous. people.
2. Semey city – the city population is more than 339,4 thous. people.
3. Kurchatov city – 11,6 thous. people.
4. Ridder city – 58,0 thous. people.
5. Abay district - 15,3 thous. people.
6. Ayagoz district - 74,0 thous. people.
7. Beskaragai district –
8. Borodulikha district - 39,2 thous. people.
9. Glubokovsky district - 63,9 thous. people.
10. Zharma district – 42,3 thous. people.
11. Zaisan district - 37,9 thous. people.
12. Ziryanovsk district - 69,7 thous. people
13. Katon-Karagai district – 28,6 thous. people.
14. Kokpekty district – 31,4 thous. people.
15. Kurchumsky district - 27,9 thous. people.
16. Tarbagatay district – 45,9 thous. people.
17. Ulan district - 40,4 thous. people.
18. Urdzhar district - 79,6 thous. people.
19. Shemonaikhinski district – 46,0 thous. people **[[1]](#footnote-1)**.

***• THE LIST OF ALL STATE PROGRAMS (AS PART OF WHICH THE SUPPORT OF INVESTORS AND ENTREPRENEURS IS ENSURED IN TOURISM) AND STATE BODIES (PROGRAM ADMINISTRATORS).***

**1) integrated business support and development program “business** **roadmap 2020”[[2]](#footnote-2)**

**Program Goal** is provision of stable and balanced growth of regional entrepreneurship, as well as support of the acting and creation of the new permanent workstations.

**Program key subject “business** **roadmap 2020”:**

non-financial support operator

Atameken national entrepreneurs chamber of RK

Regional Program Coordinator

<http://palata.kz/>

local executing agency department, responsible for the realization of the BUSINESS ROADMAP 2020 at the regional level (capitals, cities of republican status).

Usually it is the Administration of   
entrepreneurship and industrial-innovation development and Administration of entrepreneurship and industry;

Regional Coordinating Council (hereinafter — RCC)

consultative-deliberative assembly, created and headed by regional akims, akims of Astana and Almaty cities, in partnership with business-communities representatives not less than 50 % of the total amount;

- Approves the entrepreneurs projects for subsidization

- Determines the organization for the microcrediting of small businesses, realizing the activity in rural localities, little towns and industry towns.

- RCC decides on the possibility (or impossibility) to finance the construction or reconstruction of the production (industrial) infrastructure

Authorized agency

authorized agency for entrepreneurship – Ministry of national economy of RK

<http://economy.gov.kz/ru/>

Authorized body for micro-credit (hereinafter - ABM)

ABM is defined by the decision of the Regional Coordinating Council. Usually it is the Fund for Agriculture Finance Support JSC

<http://www.kazagro.kz/web/fond>

Financial agency

Damu Entrepreneurship Development Fund JSC, realizing the implementation and monitoring of the financial support as a part of the Program

<http://www.damu.kz/>

**The Program Implementations is realized by the four directions:**

1

**Financial support measures:**

small business micro-crediting;

provision of the state grants;

partial guarantee on loans of banks /development bank;

subsidization of the rates of remuneration part on credits/ financial leasing contracts of banks /development bank/ leasing companies;

subsidization of the rates of remuneration part on micro-credits of the private microfinance institutions;

Subsidization period is 3 (three) years with the possibility of the following prolongation to 6 (six) years by RCC decision.

The period of the guarantee provided can not exceed 5 (five) years.

Micro-crediting period is not more than 5 (five) years;

Subsidization period on micro-credits is not more than 2 (two) years without the prolongationof the subsidization period.

State grants are provided on irretrievable basis

The Subsidization is realized only on credits/ financial leasing contracts with the nominal rate of remuneration not more than 19 %, 10 % of which will be subsidized by the state, and the difference will be paid by the entrepreneur.

For the beginner entrepreneur / beginner young entrepreneur, the amount of the guarantee cannot be more than 85 % of the credit amount;

For the acting entrepreneur, the amount of the guarantee cannot be more than 50 % of the credit amount;

Annual nominal rate of remuneration on micro-credit shall not exceed 12 %.

The Subsidization is realized only on micro-credits with the nominal rate of remuneration not more than 20 %, 10 % of which will be subsidized by the state, and the difference will be paid by the small business subject.

State grants are provided on irretrievable basis

Indicated measures of the financial support can be received also by the legal entities with the foreign participation.

Business in tourism falls under all measures of the financial support.

**Support of the new business-initiatives of the entrepreneurs of industry towns, little towns and rural localities\*;**

\*The list of industry towns and little towns is determined by the Regions development Program until 2020, approved by the Decree № 728 of the Government of the Republic of Kazakhstan dated 28 June 2014.







2

**Financial support measures:**

Development of production (industrial) infrastructure;

partial guarantee on loans of banks /development bank;

subsidization of the rates of remuneration part on credits/ financial leasing contracts of banks /development bank/ leasing companies;

long-term lease financing.

Subsidization period is 3 (three) years with the possibility of the following prolongation to 6 (six) years by RCC decision.

The period of the guarantee provided can not exceed 5 (five) years.

Provided for the period to 10 years.

Criteria for the project selection:

1) volume of investments can not be less than 400 mln. tenge;

2) construction cost (reconstruction) of the infrastructure can not be less than 100 mln. tenge.

Subsidization by the projects in the priority-oriented economy sectors, including in tourism is carried out only by credits/ financial leasing contracts with the nominal rate of remuneration not more than 19%, 7% of which will be subsidized by the state, and the difference will be paid by the entrepreneur.

For the projects in the priority-oriented economy sectors the amount of the guarantee cannot be more than 50 % of the credit amount;

Wherein the credit amount shall not exceed 360 mln.tenge.

Rate of remuneration under the financial leasing contract for the applicant shall not be 5 %.

Leasing subject cost shall not be less than 150 mln. tenge.

The entrepreneur shall ensure the participation by monetary funds in project realization in the amount not less than 15 % from total leasing subject cost.

Construction cost (reconstruction) of the infrastructure shall not exceed 50 % of project cost of small and medium business subjects.

An allocated funds are directed on: water disposal, water supply (well drilling for water supply), gasification, water conduits, steampipes, heating of boiler-houses for industrial sites, water pipes, railroad spurs, rail accesses, telephone penetration, switching stations, power lines, detritus pits, combined-cycle plants, alternative energy sources.

Indicated measures of the financial support can be received also by the legal entities with the foreign participation.

Business in tourism falls under all measures of the financial support.

\* The list of priority-oriented economy sectors for the Program potential participants is the Appendix 1 to the Single business support and development program “Business roadmap 2020”

**Sectoral support of entrepreneurs in priority-oriented economy sectors\* and manufacturing industries;**







3

Subsidization of the nominee rates of remuneration on acting credits/ financial leasing contracts of banks /development bank/ leasing companies in national and foreign currency.

**Reducing the currency risk of entrepreneurs**

**Financial support measures:**

Subsidization period on credits/ financial leasing contracts is 3 (three) years with the possibility of the following prolongation to 6 (six) years by RCC decision.

Subsidization of the rate of remuneration can be realized only on credits of banks with the nominal rate of remuneration not more than 19 %, 6 % of which will be compensated by the state, and the difference will be paid by the entrepreneur.

**The following tourism types are included into the list of the priority oriented economy sectors for the potential Program participants:**

* Provision of hotel services;
* Provision of the accommodation for the weekends and other periods of short-term living;
* Site for camping, recreational fleets and trailer parks.







3) improving business performance;

2) development of entrepreneurs competence; - ATAMEKEN NEC RK

1) information and analytical support for the enterprise

4) expansion of business ties.

- state support measures clarifying on “Business-nasikhat” components

- learning the basics of entrepreneurship,

- establishment of business contacts with foreign partners (“business connections” instrument)

- attraction of the external consultants on issues of introduction of new management techniques, technologies (older seniors),

- clarification on conditions of business maintenance in countries-members of Eurasian economic union

- enterprises specialists, top managers skills development,

- enterprises productivity and energy saving improvement (EBRD Program on small and medium enterprises support of the Republic of Kazakhstan),

**Provision of non-financial support measures for entrepreneurship**

- improving the enterprises competence,

- provision of service support of acting business maintenance,

- provision of an advice on receipt of approvals and technical conditions issues.

- enterprise technological development.

4

**2) STATE SUPPORT OF THE INDUSTRIAL AND INNOVATION ACTIVITY - Entrepreneurial Code of RK №375-V dated 29 October 2015– chapter 24**

**The subjects of industrial and innovation activity are** individuals and (or) legal entities, realizing the industrial and innovation projects in priority-oriented economy sectors or performing an activity on promotion of domestic processed commodities, works and services on domestic and (or) foreign markets.

13) debt restructuring as part of financial and economic turnaround.

2) provision of guarantee bonds and pledges on loans;\*\*

3) crediting through financial institutions;

\*\*\*

4) subsidization of the rate of remuneration on credits, issued by the financial institutions, and coupon interest on bonds;

5) investing in equity capitals;

1) financing, including projects co-financing, lease financing\*

6) guaranteed order;\*\*\*\*

12) support of development of labour productivity and the development of regional clusters;

7) provision of engineering-communication infrastructure

8) provision of land

9) support on domestic market;\*\*\*\*\*

<http://www.ks.gov.kz/>

<http://www.nadloc.kz/>

10) attraction of foreign investments;

11) development and promotion of domestic processes commodities, services export;\*\*\*\*\*\*

<http://www.kecic.kz/>

<http://www.kaznexinvest.kz/>

<http://palata.kz/>

\* Decree № 745 of the Government of RK dated 5 June 2012 “On stipulation of financing conditions and mechanisms, including industrial and innovation projects co-financing, lease financing of industrial and innovation activity subjects”

\*\* Decree № 744 of the Government of RK dated 5 June 2012 “On stipulation of conditions and mechanisms of provision of guarantee bonds and pledges on loans, issued to the industrial and innovation activity subjects”

\*\*\* Decree № 44 of the Government of RK dated 2 February 2016 “On approval of crediting conditions and to the industrial and innovation activity subjects through financial institutions”

\*\*\*\* Decree № 787 of the Government of RK dated 28 May 2009 “On approval of Model regulations on procurement of goods, works and services, realized by national managing holdings, national holdings, national companies and organizations, fifty and more share percents (equity shares) of which directly or indirectly belong to the national managing holding, national holding, national company”

\*\*\*\*\* Order № 1107 of the acting Minister for investment and development of RK dated 26 November 2015 “On approval of Rules on database forming and maintenance of commodities, works, services and their suppliers”

Order № 1164 of the acting Minister for investment and development of RK dated 4 December 2015 “On approval of Rules on reimbursement of expenses part of industrial and innovation activity subjects on promotions of domestic processed commodities, works, services on domestic market”

\*\*\*\*\*\* Order № 1194 of the Minister for investment and development of RK dated 9 December 2015 “On approval of Rules on provision of state support for industrial and innovation activity subjects, directed on the increase of the productivity of labour and development of regional clusters »

**List of the national development institutions and other legal entities, authorized on the state support measures realization of the industrial and innovation activity[[3]](#footnote-3).**

|  |  |
| --- | --- |
| **Name of the organization** | **Website** |
| **1. In industry development sphere:** |  |
| Kazakhstan Institute of Industry Development Joint Stock Company | [**http://kidi.gov.kz/**](http://kidi.gov.kz/) |
| **2. In technological development sphere:** |  |
| National Agency for Technological Development Joint Stock Company | [**http://natd.gov.kz/ru/**](http://natd.gov.kz/ru/) |
| **3. In local content development sphere:** |  |
| “NADLoC” National Agency for Local Content Development Joint Stock Company | [**http://www.nadloc.kz/**](http://www.nadloc.kz/) |
| **4. In attracting investments sphere:** |  |
| “KAZNEX INVEST” National Agency for Export and Investments Joint Stock Company | [**http://www.kaznexinvest.kz/**](http://www.kaznexinvest.kz/) |
| **5. In export development and promotion sphere:** |  |
| “KazExportGarant” Export Credit Insurance Corporation Joint Stock Company | [**http://www.kecic.kz/**](http://www.kecic.kz/) |
| “KAZNEX INVEST” National Agency for Export and Investments Joint Stock Company - | [**http://www.kaznexinvest.kz/**](http://www.kaznexinvest.kz/) |
| **6. Legal entities authorized for the state support measures realization of industrial and innovation activity in technological development sphere:** |  |
| Astana Innovations Joint Stock Company | [**http://ain.kz/**](http://ain.kz/) |
| Astana Convention Bureau Limited Liability Partnership | - |
| Science Fund Joint Stock Company | [**http://www.science-fund.kz/ru/**](http://www.science-fund.kz/ru/) |
| Zerde National Infocommunication Holding Joint Stock Company - | [**http://www.zerde.gov.kz/ru/**](http://www.zerde.gov.kz/ru/) |
| KazAgroInnovation Joint Stock Company | [**http://agroeconom.kz/**](http://agroeconom.kz/) |
| Kazakh Vodokanalproekt Joint Stock Company | [**http://www.kzvkp.kz/**](http://www.kzvkp.kz/) |
| National Center for State scientific and technical expertise Joint Stock Company - | [**http://www.ncste.kz/ru**](http://www.ncste.kz/ru) |
| Parassat Scientific and Technological Center Joint Stock Company | [**http://www.parasat.com.kz/**](http://www.parasat.com.kz/) |
| Kazakhstan Center for modernization and development of housing and communal services Joint Stock Company - | [**http://zhkh.com.kz/**](http://zhkh.com.kz/) |
| Kazakhstan Scientific medical center Joint Stock Company - | [**http://nnmc.kz/**](http://nnmc.kz/) |
| Park of Nuclear Technologies Joint Stock Company | [**http://www.pnt.kz/**](http://www.pnt.kz/) |
| Damu Small Entrepreneurship Development Fund Joint Stock Company | [**http://www.damu.kz/**](http://www.damu.kz/) |
| National Center for Scientific and Technical Information Joint Stock Company | [**http://www.inti.kz/**](http://www.inti.kz/) |
| Institute of Electricity and Energy Saving Development” Joint Stock Company (Kazakhenergoexpertiza) - | [**http://kazee.kz/**](http://kazee.kz/) |
| Caspy National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.caspiy.kz/ru/**](http://www.caspiy.kz/ru/) |
| Pavlodar National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spkpavlodar.kz/**](http://www.spkpavlodar.kz/) |
| Ertis National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spkertis.kz/ru/**](http://www.spkertis.kz/ru/) |
| Zhetysu National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://spk-zhetisu.kz/**](http://spk-zhetisu.kz/) |
| Almaty National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://spk-almaty.kz/index.php/ru/**](http://spk-almaty.kz/index.php/ru/) |
| Atyrau National Company Socio-Entrepreneurial Corporation Joint Stock Company; | - |
| Baikonur (Baikonyr) National Company Socio-Entrepreneurial Corporation Joint Stock Company | - [**http://spk-baikonur.kz/**](http://spk-baikonur.kz/) |
| Astana National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.astana-spk.kz/**](http://www.astana-spk.kz/) |
| Aktobe National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://spk-aktobe.kz/ru**](http://spk-aktobe.kz/ru) |
| Saryarka National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spk-saryarka.kz/**](http://www.spk-saryarka.kz/) |
| Soltustik National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spk-soltustik.kz/**](http://www.spk-soltustik.kz/) |
| Tobol National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spk-tobol.kz/ru/**](http://www.spk-tobol.kz/ru/) |
| Oral National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://www.spk-oral.kz/ru/**](http://www.spk-oral.kz/ru/) |
| Essil National Company Socio-Entrepreneurial Corporation Joint Stock Company ; | - |
| Taraz National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://spktaraz.kz/rus/**](http://spktaraz.kz/rus/) |
| Shymkent National Company Socio-Entrepreneurial Corporation Joint Stock Company - | [**http://spk-shymkent.kz/**](http://spk-shymkent.kz/) |

**3) employment roadmap 2020[[4]](#footnote-4)**

**Program Goals**: increase of the population employment level, assistance in welfare gain, reduction of unemployment.

**The Program realization is accomplished by the following directions:**

1) providing employment through the development of infrastructure and housing and communal services;

2) stimulation of entrepreneurial initiative;

3) learning and assistance in job placement and migration based on the employer’s effective demand.

**Entrepreneurs in tourism can participate in the second direction of the Program.**

The second direction is focused on:

entrepreneurship stimulation and economic activity increasing through organization or enlargement own business.

**The following types of the state support is provided to the Program participants:**

1) free learning of the basics of entrepreneurship with providing of the material support on travel and accommodation, assistance in business-plan development;

2) provision of the micro-credits:

3) provision of the services on project monitoring (marketing, juridical, accounting and other types of services) with the period up to one year;

4) development and/or construction of deficient facilities of engineering-communication infrastructure and/or equipment acquisition.

- till 3 mln. tenge – on organization or enlargements of own business;

- till 5 mln. tenge – for oralmans and migrants, arrived to the regions defined by the Government of RK and

included into the regional oralmans and migrants admission quota;

- till 6 mln. tenge – on organization of small commodity production on the base of the personal subsidiary plot

**Program Operator** is the Ministry of Health and Social Development of RK; ([**http://www.mzsr.gov.kz/ru**](http://www.mzsr.gov.kz/ru)).

**Authorized organizations for realization of such direction:**

- Employment center;

- Business Service Centre or Business Support Center;

- Authorized regional organization with the status of financial agency (social-entrepreneurial corporations), or microfinance (micro-credit) organization, that received a right for the Program participants microcrediting;

authorized body for infrastructure development (construction department, housing and utilities infrastructure, etc.).

**4) post-crisis recovery PROGRAM (competitive enterprises recovery)[[5]](#footnote-5)**

**Program Target codes:**

- “Recovery of about 50 competitive enterprises”;

- Maintenance of not less than 70 percent of acting work positions of enterprises–Program participants.

State support measures:

- interest rate subsidies on already available loans (credits) and/or leasing transactions, coupon on bonds;

- delay provision on taxpaying and other mandatory payments into the budget;

- tax preferences provision;

- assistance in strategic investor search;

- guaranteed order provision for a period of 4 years;

- taking steps on distribution by the subjects of quasi-public sector funds on deposits in second-tier banks based on the extent of their participation in the enterprises recovery.

**The program becomes inoperative by the Decree № 1182 of the Government of RK dated 10.11.2014 (is effective from 01.01.2017).**

**5) MICROFINANCING PROGRAM OF THE rural population AND agricultural commodity producerS «MURABAKHA»[[6]](#footnote-6)**

|  |  |
| --- | --- |
| **Program Operator:** | Agriculture Financial Support Fund Joint Stock Company |
| **Program Operator’s website:** | [**http://www.kazagro.kz/web/fond**](http://www.kazagro.kz/web/fond) |
| **Program goals:** | Rural population and agricultural commodity producers microfinancing for the cattle breeding development (except for the pig breeding), crop growing, other types of business in the country \*. |
| **Target group:** | rural population, country and farm enterprises, individual entrepreneurs and legal entities, realizing the entrepreneurial activities in the country \*\*. |
| **Designation:** | acquisition of the fixed assets, biological assets on application of the Loan Debtor to sale to him in installments. |
| **Loan amount:** | not more than 33 000 (thirty three thousand) US Dollars at the rate of the National Bank of the Republic of Kazakhstan as of the acceptance of the positive decision about the financing. |
| **Rate of the return:** | 11% per annum, annual effective rate of return is not more than 11,3% per annum. |
| **Financing period:** | not more than 48 (fourty eight) months. |
| **Principal redemption periodicity:** | monthly / quarterly / 1 (once) in a half-yearly and 1 (once) in a year, with the possibility of partial/full early payment during the financing period. |
| **Trading margin redemption periodicity:** | monthly / quarterly / 1 (once) in a half-yearly. |
| **Exemption period on principal and reward redemption:** | Not more than 12 (twelve) months. |

\*Legal entities with the foreign participation can also participate in this program.

\*\*Business in tourism is also falls under this Program.

The credit application can be submitted online:

<http://credit.kazagro.kz/ClientAccount/Login?ReturnUrl=%2f>.



**Contact information of the individuals responsible for the program realization by regions:**

|  |  |  |
| --- | --- | --- |
|  | Address | Telephone/fax |
| Akmola Branch | 020000, Kokshetau city, Auelbekov street, 179-а, office 221, e-mail: аkmola@fagri.kz  010000, Astana city, Turan avenue, 19/1, 6 floor, office 601, e-mail: sh\_kairzhanova@fagri.kz | 8 (7162) 76-07-11, 76-01-79  8 (7172) 67-82-78 |
| Almaty Branch | 050000, Almaty city, Zheltoksan street, 111-а, 4 floor, office 31, e-mail: аlm@fagri.kz  040000, Taldykorgan city, Kazakhstanskaya street, 114/116, e-mail: alm@fagri.kz | 8 (727) 334-19-69, 334-19-68, 334-05-22  8 (7282) 24-02-39, 24-02-19 |
| Aktobe Branch | 030019, Aktobe city, Abulkhair Khan avenue, 51/1, room 16, e-mail: аktobe@fagri.kz | 8 (7132) 57-83-22 |
| Atyrau Branch | 060009, Atyrau city, Satpayev street, 13-а, 2 floor, e-mail: atirau@fagri.kz | 8 (7122) 50-83-16 |
| East Kazakhstan Branch | 070000, Ust-Kamenogorsk city, Satpayev avenue, 64, office 401, 402, e-mail: ukg\_ffpsh@mail.ru  071400, Semey city, Lenin street, 9, office 401, 410, e-mail:  semeyffpsh@mail.ru | 8 (7232) 21-60-77, 20-34-17  8 (7222) 56-35-67, 52-22-78 |
| Zhambyl Branch | 080012, Taraz city, Suleimenov street, 17, 1 floor, e-mail: taraz@fagri.kz | 8 (7262) 54-60-45, 54-60-43 |
| West Kazakhstan Branch | 090000, Uralsk city, Iksanov street, 38,  e-mail: zko@fagri.kz | 8 (7112) 24-15-26, 24-15-78 |
| Karaganda Branch | 100008, Karaganda city, Bukhar Zhyrau avenue, 51/1, e-mail: karaganda@fagri.kz | 8 (7212) 78-80-42 |
| Kostanai Branch | 110000, Kostanai city, Baitursynov street, 140, e-mail: kustanai@fagri.kz | 8 (7142) 53-39-16 |
| Kyzylorda Branch | 120008, Kyzylorda city, Zheltoksan street, 46 and 48, e-mail: orda@fagri.kzz | 8 (7242) 23-03-26, 23-08-71 |
| Mangistau Branch | 130000, Aktau city, 16 microdistrict, Kaisar BC, 2 floor,  e-mail: aktau@fagri.kz | 8 (7292) 30-43-42 |
| Pavlodar Branch | 140000, Pavlodar city, Krupskaya street, 71-b, e-mail: pavlodar@fagri.kz | 8 (7182) 55-20-26 |
| North Kazakhstan Branch | 150000, Petropavlovsk city, Buketov street, 31-а, 2 floor,  e-mail: sko@fagri.kz | 8 (7152) 46-51-48, 46-23-38 |
| South Kazakhstan Branch | 160021, Shymkent city, Madeli Kozha street, ESKO BC, 4 floor,  e-mail: yuko@fagri.kz | 8 (7252) 36-54-66, 36-54-68 |

**6) crediting of non-agricultural business activities in COUNTRYSIDE [[7]](#footnote-7)**

|  |  |
| --- | --- |
| **Program Operator** | Agriculture Financial Support Fund Joint Stock Company |
| **Program Operator’s website:** | [**http://www.kazagro.kz/web/fond**](http://www.kazagro.kz/web/fond) |
| **Program goals:** | Development of the rural infrastructure, including in organization of tourism, hotel business and roadside service\*; production of light and food industries; provision of public services; organization and enlargement of rural outlets; foodservice outlets. |
| **Target group:** | Legal entities and individuals (farm households, farming enterprises, private entrepreneurs). |
| **Loan amount:** | from 3 mln. tenge to 8000 minimum calculation index (in 2016 1 minimum calculation index in Kazakhstan – 2 121 tenge). |
| **Credit/** **tranche period:** | up to 5 years. |
| **Crediting rate:** | 14 % per annum (annual effective rate of return – up to 16,4% per annum). |
| **Exemption period on redemption (additional period of time, during which the principal amount on the loan is not discharged; delay of the credit redemption beginning)** | up to 1 year. |

**How to participate in the program?**

Loan debtor

· application on loan receipt;

· loan debtor questionnaire:

· list of the documents on credit receipt\*\*.

Agriculture Financial Support Fund JSC according to the place of residence /business

Loan debtor

The term of the decision acceptance by the application from 5 to 10 working days

If the answer is positive, then the loan and pledge contracts are concluded, the pledge registration is performed in the authorized bodies and funds transfer on the loan debtor’s account.

Legal entities with the foreign participation can also participate in this program.

\*\*Templates and the list of the documents can be downloaded by this link: <http://business.gov.kz/ru/business-support-programs/detail.php?ID=35253>

\*Business-projects support in tourism is the goal of this Program.



**Contact information of the individuals responsible for the program realization by regions:**

|  |  |
| --- | --- |
| **Regions** | **Contact information of the individuals responsible for the program realization** |
| Aktobe oblast | Yergazina Gulzhanat Koibagarovna, Aktobe city, Abulkhair Khan avenue, 51/1, room 16, 8(7132)578-290 |
| Almaty oblast | Isskakova Ainur Orazbayevna, Almaty city, Zheltoksan street, 111а, 4 floor, office 31, 8(727)334-19-69, 8(727)334-19-68 (reception) |
| Atyrau oblast | Shalagulova Gulzada Aitzhanovna, Atyrau city, Satpayev street, 13 "А", 2 floor, 8(7122)50-83-16 (reception) |
| East Kazakhstan oblast | Kenzhebayev Maksat Maratovich, Ust-Kamenogorsk city, Satpayev avenue, 64, office 401, 402, 8(7232) 203-418, 203-433 (reception) |
| Zhambyl oblast | Orazymbetov Uksukbai Kalykovich, Taraz city, Suleimenov street, 100, 8(7262) 576-454 (reception) |
| West Kazakhstan oblast | Zhakiyev Kairiden Essengaliyevich, Uralsk city, Iksanov street, 38, 8(7112)24-15-81, 24-15-26 (reception), 24-15-88 (fax) |
| Karaganda oblast | Torgayev Umirzak Shabanbayevich, Karaganda city, Bukhar Zhyrau avenue, 51/1, 8(7212)788-042 |
| Kostanai oblast | Sultangazin Manarbek Zhalelovich, Kostanai city, Baitursynov street, 140, 8(7142) 532-955 |
| Kyzylorda oblast | Ibadullayev Madi Ibadullayevich, Kyzylorda city, Zheltoksan street, 46 and 48 houses, 8(7242) 23-03-26, 23-08-71, 23-06-57 |
| Mangistau oblast | Baimagambetov Murat Bakhitkaliuly, Aktau city, 16 microdistrict, Kaisar BC, 2 floor, 8(7292) 30-43-42 (reception) |
| Pavlodar oblast | Iklassova Saira Zharylgapovna, Pavlodar city, Krupskaya street, 71 "B", 8(7182) 55-20-26 |
| North Kazakhstan oblast | Rakhimbekova Zeinep Tulegenovna, Petropavlovsk city, Internationalnaya street, 41а (3 floor), 8(7152) 464-775 |
| South Kazakhstan oblast | Kulymbetov Almas Kurmangazyuly, Shymkent city, Madeli Kozha street, without number ESKO BC, 4 floor, 8(7252)22-18-05, 22-18-09 |

**7) crediting of non-agricultural business activities in COUNTRYSIDE[[8]](#footnote-8)**

|  |  |
| --- | --- |
| **Program Operator:** | Agrarian Credit Corporation JSC |
| **Program Operator’s website:** | [**http://www.kazagro.kz/web/acc/lending-to-non-agricultural-business**](http://www.kazagro.kz/web/acc/lending-to-non-agricultural-business) |
| **Program goals:** | Development of the rural infrastructure, including in organization of tourism, hotel business and roadside service; production of light and food industries; breeding, growth and processing of the fish products; provision of public services; organization and enlargement of rural outlets; foodservice outlets. |
| **Target group:** | Legal entities and individuals (farm households, farming enterprises, private entrepreneurs). |
| **Designation:** | - fixed assets acquisition, including facilities modernization;  - construction-assembly works, including reconstruction;  - current assets. |
| **Loan amount:** | from 1 000 000 tenge to 25% from the Corporation’s stockholder equity |
| **Credit/** **tranche period:** | - fixed assets acquisition and construction-assembly works -  up to 10 years;  - replenishment of current assets – up to 24 months. |
| **Crediting rate:** | 9,5 % per annum. |
| **Redemption:** | – principal: monthly, quarterly, half-yearly, once a year;  – reward: monthly, quarterly, half-yearly, once a year. |
| **Exemption period on principal and reward redemption** | up to 24 months. |

**How to participate in the program?**

Loan debtor

· application on financing;

· list of the documents on credit receipt \*\*. Insert the link

Regional branch of Agrarian Credit Corporation JSC according to the place of residence /business

Loan debtor

The credit committee considers the documents and takes the decision

The loan debtor receives the relevant notification. At positive decision, the monetary funds are issued to the loan debtor in that branch, where he have applied.



Legal entities with the foreign participation can also participate in this program.

**Further possibilities, opening to the program participants.**

* The loan debtor can apply to the agroindustrial complex subjects financial recovery Program and receive the financial support from the government at credit redemption;
* According to subsidization Rules on refurbishment of the rate of remuneration on credits on agriculture support or RK to the loan debtor from the state budget a paid reward can be reimbursed by the credit in the amount to 80%.

\* Business-projects support in tourism is the goal of this Program.

**The credit application can be submitted online:** <http://credit.kazagro.kz/ClientAccount/Login?ReturnUrl=%2f>.

Interested potential loan debtors can receive the information on the paper and electronic media in the Central office of Agrarian Credit Corporation JSC and in all regional branches of the Corporation by the following addresses**[[9]](#footnote-9)**:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Head of the branch | Address | Telephone/fax |
| Akmola oblast branch: | Kazhakhmetov Daurenbek Niyazbekovich | Kokshetau city, Auelbekov street 179а, rooms 303-306, 316-319; | tel.: (7162) 55-10-96, 55-10-97 (98, 99) |
| Akmola oblast branch: | Abroyev Karim Bulatovich | Astana city, Imanov street, 11, Nursaulet-1 BC, 3-floor, room 306; | tel.: (7172) 55-99-96, 55-99-43, 55-99-69 |
| Atyrau oblast branch: | Ongarbek Erbolat Maratuly | Atyrau city, Satpayev street 13А, 4 floor | tel.: (7122) 55-69-93, 30-61-61, 55-69-93 |
| Aktobe oblast branch: | Bekbauova Dana Bakhytovna | Aktobe city, Abylkair Khan street, 51, building 1, left side, 1 floor; | tel.: (7132) 70-47-13, 70-47-03, 70-47-09, 70-46-96 |
| Almaty oblast branch: | Abylov Kadyrzhan Abdukarimovich | Taldykorgan city, Abylaikhan street, 125, 3- floor | tel.: (7282) 55-86-51 (52), 55-98-29 |
| Almaty oblast branch: | Baimukhambetova Alua Rystemovna | Almaty city, Gogol street 111, 6- floor, rooms 603-609, | tel.: (727) 330-75-03, 330-75-04 |
| East Kazakhstan oblast branch: | Zhunussov Kirill Albekovich | Ust-kamenogorsk city, D.Serikbayev street, 1 house, offices 401-408 | tel.: 8 (7232) 56-02-10 (11, 12, 13)  Fax: 8 (7232) 49-22-36 |
| Zhambyl oblast branch: | Seitbekov Nurgali Ensebekovich | Taraz city, Suleimenov street, 17, 2-floor | tel.: (7262) 99-90-00, 99-90-01, 99-90-02, 99-98-98, 99-98-73 |
| West Kazakhstan oblast branch: | Nysangaliyev Erlan Berkinovich | Uralsk city, Iksanov street, 38, floor 3, | tel.: (7112) 55-47-09, 55-49-97 |
| Karaganda oblast branch: | Tuleshov Miras Serikovich | Karaganda city, Bukhar Zhyrau avenue, 51/1, room 701-704 | tel.: (7212) 55-99-91, 55-99-92, 55-99-93, 55 99 89 |
| Kostanai oblast branch: | Mendorazov Tulebai Murzagulovich | Kostanai city, Al Farabi avenue, 65, 4 floor room 402, 404-408, 415 | tel.: (7142) 99-09-89, 99-97-26, 99-97-27, 99-97-19, 99-09-91, |
| Kyzylorda oblast branch: | Abenov Saken Rakhmetovich | Kyzylorda city, Zheltoksan street, 46,48 | tel.: (7242) 55-17-99, 55-10-68 |
| Pavlodar oblast branch: | Amanzholov Bulat Amenovich | Pavlodar city, Krupskaya street 71 B, 3-floor, room 301-307 | tel: (7182) 70-38-20, 70-38-19, 70-47-07 |
| North Kazakhstan oblast branch: | Akhmetbekov Serik Markenovich | Petropavlovsk city, Buketova street 31 А house, offices №201-205 | tel.: (7152) 36-38-04, 36-57-05, 46-38-93, 46-07-81, 36-28-85 |
| South Kazakhstan oblast branch: | Tyumebayev Baurzhan Muradovich | Shymkent city, Baitursynova street, without number, Business Service Centre building, 2 floor. | tel.: (7252) 99-89-72, 99-89-90, 99-79-78, 99-89-77, 36-73-42, 36-73-43, |

**information:** Since 2007 as of 01.02.2014, the Corporation have credited 155 projects totaling 2,9 bln. tenge. As a part of the program, there were financed:

* 11 hotel complexes totaling 196,5 mln. tenge;
* 28 catering facilities totaling 370,3 mln. tenge;
* 16 food industry enterprises totaling 372,9 mln. tenge;
* 33 roadside services enterprises totaling 524,9 mln. tenge;
* 7 enterprises on catch and processing of fishery products totaling 240,2 mln. tenge;
* 42 enterprises on rural outlets establishment totaling 370,5 mln. tenge;
* 18 enterprises on rural tourism totaling 857,5 mln. tenge.

**8) PROGRAM ON crediting of non-agricultural business TYPES THROUGH credit SOCIETIES SYSTEM [[10]](#footnote-10)**

|  |  |
| --- | --- |
| **Program Operator** | Agrarian Credit Corporation JSC |
| **Program Operator’s website** | http://www.kazagro.kz/web/acc/lending-to-non-agricultural-business |
| **Program goals** | Rural communities and little towns’ infrastructure development through the credit societies system. |
| **Target group** | Acting and recreated credit societies. |
| **Designation** | Crediting of the credit societies for the following financing on the fixed assets acquisition and current assets replenishment of the credit societies participants, acting in organization of tourism, hotel business and roadside service; production of light and food industries; breeding, growth and processing of the fish products; provision of public services; organization and enlargement of rural outlets; foodservice outlets |
| **Amount** | from 100 000 (one hundred and thousand) tenge, but not more than 50% from the main credit line of the credit societies. |
| **Credit/credit line period** | up to 84 months, but not later than 1 December 2022. |
| **Tranche period** | fixed assets acquisition and construction-assembly works -  up to 84 months; replenishment of current assets – up to 24 months. |
| **Crediting rate** | 14% per annum (annual effective rate of return – from 14% per annum). |
| **Exemption period on principal redemption** | not more than 6 months. |

**9) Programs of the stipulated funds placement in second-tier banks for the following microcrediting of the WOMEN'S ENTREPRENEURSHIP**

If you are a woman-entrepreneur, then this program will help You to receive a microcredit on attractive terms for the development of Your business, acquisition of new and modernization of the fixed assets, replenishment of current assets, as well as on the refunding of the previously taken credits.

|  |  |
| --- | --- |
| **Credit amount** | up to 30 mln. tenge. |
| **Annual effective rate for the end-use borrower** | not more than 14 % per annum. |
| **Credit period on loan:** | - on replenishment of current assets — up to 36 months;  - on acquisition and modernization of the fixed assets — up to 60 months; |
| **Program operator:** | Damu Fund |
| **Program operator’s website** | [**http://www.damu.kz/**](http://www.damu.kz/) |
| **Partner banks:** | Bank CenterCredit JSC; TsesnaBank JSC; Eurasian Bank JSC; Delta Bank JSC; Temirbank JSC; AsiaCredit Bank JSC. |

**How to participate in the program?**

Woman-entrepreneur

For the receipt of the consultation and list of the required documents;

Partner banks

Woman-entrepreneur

Bank analyses the credit application for the compliance to the Fund and Bank requirements;

* Bank takes the decision about the project financing;
* In case of positive decision on the project, the Bank issues the loan on the approved conditions;

There is not any limitation of the industrial direction of the project financing; i. e. business projects in tourism also could be supported.



**10) DAMU-MICRO PROGRAM**

|  |  |
| --- | --- |
| **Program Operator** | Damu Fund |
| **Program Operator’s Website** | [**http://www.damu.kz/**](http://www.damu.kz/) |
| **Designation** | - replenishment of current assets;  - acquisition and modernization of the fixed assets. |
| **Nominal rate of remuneration** | not more than 16 % per annum. |
| **Loan amount** | 8 000 (eight thousand) minimum calculation index (1 minimum calculation index – 2405 tenge). |
| **Loan period** | up to 60 months. |
| **Exemption period on principal redemption** | up to 6 months. |

**11) MICRO, SMALL AND MEDIUM business CREDITING BY ebrd PROGRAM[[11]](#footnote-11)**

|  |  |
| --- | --- |
| **Credit conditions by EBRD program 1 and 2 tranche:** | |
| **Program Operator** | Bank CenterCredit JSC **[[12]](#footnote-12)**. |
| **Program participants** | - micro, small and medium business subjects |
| **Program period** | - till 20 January 2020 |
| **Loan amount** | - up to 550 000 000 tenge |
| **Loan period** | - up to 60 months |
| **Rate of remuneration** | - 18% per annum (annual effective rate of return – from 19,6%). |
| **Crediting goals:** | - Replenishment of current assets;  - Investments;  - Refunding of the previously taken credits in other banks and other credit organization. |

|  |  |
| --- | --- |
| **Credit conditions by EBRD program (small and medium business support):** | |
| **Program Operator:** | Bank CenterCredit JSC |
| **Program participants** | micro, small and medium business subjects. |
| **Loan amount** | up to 900 000 000 tenge. |
| **Loan period** | up to 60 months. |
| **Rate of remuneration** | 16% per annum (annual effective rate of return – from 17,22%). |
| **Crediting goals:** | - Replenishment of current assets;  - Investments;  - Refunding of the previously taken credits in other banks and other credit organization. |
| **Special terms** | Rate of remuneration subsidization possibility, in case of participation in the Single business support and development program "Business roadmap 2020". |

|  |  |
| --- | --- |
| **Credit conditions by EBRD program "Woman in business":** | |
| **Program Operator:** | Bank CenterCredit JSC |
| **Program participants** | micro, small and medium women’s entrepreneurship subjects. |
| **Loan amount** | up to 550 000 000 tenge. |
| **Loan period** | up to 60 months. |
| **Rate of remuneration** | 18% per annum (annual effective rate of return – from 19,6%). |
| **Crediting goals:** | - Replenishment of current assets;  - Investments;  - Refunding of the previously taken credits in other banks and other credit organization. |
| **Notes:** | women’s entrepreneurship subject is the company, in which the top management level is carried out by the Woman. |

**12) REGIONAL BUSINESS PROJECTS FINANCING PROGRAM on account OF THE local executive BODIES AND DAMU FUND FINANCES) (DAMU-REGIONS)[[13]](#footnote-13)**

|  |  |
| --- | --- |
| **Program participants** | small and medium business subjects |
| **Designation** | - Refunding of the acting loans, investment goals, replenishment of current assets. |
| **Nominal rate of remuneration** | - not more than 12,5 % per annum (annual effective rate of return – not more than 14,0 %). |
| **Financing limit per one loan debtor** | - up to 500 000 minimum calculation index (1 minimum calculation index in 2018– 2405 tenge); |
| **Loan period** | – up to 84 months. |
| **Exemption period on principal redemption** | - up to 12 months. |
| **Financing industry** | - there are no restrictions (except of the cases, when it is stated by the local executive bodies conditions). |
| **Partner banks** | - ForteBank JSC, TsesnaBank JSC, Kazcommercebank (BTA) JSC, Bank CenterCredit JSC, ATF Bank JSC, Eurasian Bank JSC, Nurbank JSC, Bank of Astana JSC. |
| [**Detailed information on "Damu-Region"**](http://gis.damu.kz/bvu/bvuanalysis2.aspx?programmID=1) **program** | <http://gis.damu.kz/bvu/bvuanalysis2.aspx?programmID=1> |

**13) SMALL AND MEDIUM business FINANCING PROGRAM on account OF THE ASIAN DEVELOPMENT BANK LOAN (I, II and III tranches)[[14]](#footnote-14)**

|  |  |
| --- | --- |
| **Program participants** | small and medium business subjects |
| **Designation** | - acquisition of new and modernization of the fixed assets;  - replenishment of current assets;  - refunding of the acting loans |
| **Nominal rate of remuneration** | - settled by the Partner Bank independently, based on the situation on market. |
| **Loan amount** | - up to 440 mln tenge (by 1 tranche);  - up to 550 mln tenge (by 2-3 tranche) |
| **Loan period** | up to 36 months - replenishment of current assets;  up to 60 months - acquisition of new and modernization of the fixed assets; for loans refunding - similar to the terms above. |
| **Exemption period** | on reward redemption – not more than 1 (one) year;  on principal redemption - not more than 3 (three) years |
| **Financing industry** | **-** there are no restrictions by economy, priority have the projects in industries of the [**Business Roadmap 2020**](http://www.damu.kz/9633) **Program[[15]](#footnote-15)**, including tourism (provision of the services to the hotels, provision of the accommodation for the weekends and other periods of the short term living, sites for camping, recreational fleets and trailer parks). |
| **Partner banks** | ForteBank JSC, TsesnaBank JSC, Bank CenterCredit JSC, Kazcommercebank JSC, Delta Bank JSC, KazInvestBank JSC. |

**MAIN CONDITIONS FOR THE FINANCIAL LEASING PROVISIONS BY THE PARTNER BANK**

|  |  |
| --- | --- |
| **Financing limit** | - up to 440 000 000 tenge (for 1 tranche)  - up to 550 000 000 tenge (for 2-3 tranche)\* |
| **Nominal rate of remuneration** | settled by the Partner Bank independently, based on the situation on market |
| **Agreed currency** | tenge. |
| **Leasing deal period** | from 36 months to 84 months at Partner Bank participation in End-use borrower financing by own funds. |
| **Exemption period** | without restrictions. |
| **The size of the advance payment** | (at their own expense) not less than 15% from the loan object cost. |
| **Leasing objects** | buildings, constructions, cars, equipment, stock, transport, lands and any other non-consumable items, used in entrepreneurial goals. |

**14) STABILIZATION PROGRAM – III TRANCHE[[16]](#footnote-16).**

|  |  |
| --- | --- |
| **Participants in the program** | small and medium-sized enterprises |
| **Partner banks** | «ForteBank» JSC, «Cesnabank» JSC, «Kazkommercbank» Partner banks (+BTA), «ATF Bank» JSC, «Eurasian Bank» JSC, «Nurbank» JSC, «Astana Bank» JSC. |
| **Lending purpose:** | - refinancing of existing loans,  - investment purposes,  - replenishment of working capital |
| **The effective annual interest rate** | - not more than 12.5% |
| **Loan amount** | - up to 750 000 000 KZT. |
| **Loan term** | - up to 84 months |
| **Finance enterprise** | - no restrictions |
| **Loan currency:** | - Loans at the expense of the Fund - KZT;  - Loans at the expense of the Bank – KZT or foreign currency |
| **The grace period on repayment of the principal:** | - for working capital - up to 6 months;  - for loans for other purposes – up to 12 months |

**HOW TO GET A LOAN?[[17]](#footnote-17)**

If you are an entrepreneur, you can go to any bank,

|  |  |
| --- | --- |
| The entrepreneur goes to the bank with an application for a loan | The bank applies to the Fund "Damu" for a guarantee on the loan |
| http://www.damu.kz/images/steps.png | |
| The Bank enters into an agreement with the entrepreneur and finances. | Fund "Damu" approves the application and notifies the bank |

* ***PROCEDURES AND STEP-BY-STEP ALGORITHM OF ACTIONS OF EACH PREFERENCE AND SUBSIDY***

**WHAT IS THE STATE SUPPORT OF INVESTMENTS?**

**Types of investment projects**

**Investment project**

**Investment priority project**

The investment project is a set of measures providing for investments into the creation of new facilities, expansion and renewal of existing facilities.

The investment priority project is an investment project, implemented by the newly established legal entity \*\*\* on priority activities \*\*\*\*, providing investments of at least two million MCI \*\*\*\*\*.

State support of investments - is

providing investment preferences

Investment preferences\*

are provided to legal entities of the Republic of Kazakhstan, including with foreign participation \*\*, implementing an investment project.

\*\*\*\* The list of priority activities for the implementation of investment projects. Approved by the Government of the Republic of Kazakhstan from January 14, 2016 № 13.

\*\*\* State registration of a legal entity is carried out no earlier than 24 months before the date of filing of the application for investment preferences;

\*\*\*\*\*1 MCI in 2018 = 2405KZT.

\* Entrepreneurial Code of the Republic of Kazakhstan from October 29, 2015 № 375-V LRK – p.1, article 283

\*\* The Civil Code of the Republic of Kazakhstan dated December 27, 1994 (Chapter 2, paragraph 2), Law of the Republic of Kazakhstan dated April 17, 1995 № 2198 "On state registration of legal entities and registration of branches and representative offices"

**WHO GETS INVESTMENT PREFERENCES?**

**WHAT IS MEANT BY INVESTMENT PROJECTS?**

**WHAT TYPES OF INVESTMENT PREFERENCES ARE GRANTED UNDER THE INVESTMENT PROJECT (INCLUDING THE INVESTMENT PRIORITY PROJECT)?**

**1) exemption from custom duties and VAT for the import\***

**2)** **government land grants\*\*\*\***

**UP TO 5 YEARS**

**Period is specified in the investment contract**

when importing technological equipment and spare parts to it \*\*

when importing raw materials and (or) materials \*\*\*

when importing spare parts for production equipment

property owned by the Republic of Kazakhstan \*\*\*\*\*, transmitted for temporary free use to the legal entity of the Republic of Kazakhstan, including with foreign participation with subsequent gratuitous transfer into ownership or land use.

\* for investment projects, with the exception of the investment priority projects and investment strategic projects, - exemption from value added tax for the import of raw materials and (or) materials (will be entered into force from 01/01/2017, by the Code of the Republic of Kazakhstan from 29.10.2015 № 375-V);

\*\*\* Raw materials and (or) material means any mineral, component, part or other product that is used to get the finished product by the technological process of the investment project in the absence of production of the raw materials and (or) materials on the territory of the Republic of Kazakhstan.

\*\* Technological equipment are goods intended for use in the technological process of the investment project

Spare parts are components that collectively constitute the structural integrity of the technological equipment and are included in the relevant list of goods drawn up by the Commission of the Customs Union.

\*\*\*\* When applying for investment preferences it is necessary to provide documents confirming the amount (value) of the requested government land grant and preliminary approval for its provision.

\*\*\*\*\* In the capacity of the government land grants can be transferred: lands, buildings, facilities, machinery and equipment, computing equipment, measuring and control devices and equipment, vehicles (except from light cars), industrial and household equipment.

The maximum amount of the government land grant shall not exceed 30% of the total investments into the fixed assets \*\*\*\*\*\* of the legal entity of the Republic of Kazakhstan.

If the estimated value of the requested government land grant exceeds the maximum amount, the legal entity of the Republic of Kazakhstan has the right to receive the requested property with the payment of the difference between its estimated value and the maximum amount of the government land grant

\*\*\*\*\*\* The Article 116 of the Tax Code of the Republic of Kazakhstan dated December 10, 2008 № 99-IV states what is referred and is not referred to fixed assets.

The National Accounting Standard from January 31, 2013 № 50 indicates what is referred to fixed assets and intangible assets.

**WHAT TYPES OF INVESTMENT PREFERENCES ARE GRANTED UNDER THE INVESTMENT PRIORITY PROJECT?**

**1) preferences on taxes**

**2) investment subsidy \***

The investment subsidy is provided on a gratuitous and irrevocable basis for the legal entity of the Republic of Kazakhstan, including with foreign participation.

**for investment priority projects:**

corporate income tax

land tax

property tax

Exemption up to 10 years\*\*

Exemption up to 8 years

up to 30% of the actual costs for construction and installation works and purchase of equipment are reimbursed.

\* Decree of the Government of the republic of Kazakhstan dated December 29, 2015 № 1120 "On approval of the Rules of the investment subsidies provision”

\*\* Tax Code from December 10, 2008 № 99-IV - article 152-2

****

### WHAT IS THE PROCEDURE FOR THE INVESTMENT SUBSIDY PROVISION**?**

· application for the provision of investment subsidy with necessary documents \*;

Investment and Development Ministry of the Republic of Kazakhstan (IDM of the RoK)

within 10 (ten) business days from the moment of filing the application:

1) checks the conformity of the legal entity of the Republic of Kazakhstan with the terms of the investment subsidy provision;

2) analyzes the documents under the investment project.

After reviewing the application an authorized body within 3 (three) working days sends the investor a written reasoned response.

Legal entity of the Republic of Kazakhstan, including with foreign participation

Legal entity of the Republic of Kazakhstan, including with foreign participation

The Government of the Republic of Kazakhstan

In case of compliance with the requirements of paragraph 3 of the Rules of the investment subsidies provision, IDM of the RoK develops and submits a draft resolution on providing investment subsidy

IDM of the RoK from the date of entry into force of the decision of the Government of the Republic of Kazakhstan directs the applicant a response in writing within 3 (three) business days from the moment of application registration.

Investment Contract is registered by the authorized body within 5 (five) business days from the date of signing and enters into force from the date of its registration.

Legal entity of the Republic of Kazakhstan, including with foreign participation

IDM of the RoK within 10 (ten) business days from the date of the decision of the Government of the Republic of Kazakhstan prepares an investment contract for signing.

Payment of the investment subsidy is carried out after the entry of production into operation in full

Legal entity of the Republic of Kazakhstan, including with foreign participation

\* The application, requiring an investment subsidy, is admitted in the presence of:

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

2) copies of the charter of the legal entity, certified by the Chief's signature and seal (if any);

3) the investment project business plan;

4) copies of documents proving the estimated cost of construction and installation works and costs for the acquisition of fixed assets, raw materials and (or) materials used for the realization of the investment project, certified by the Chief's signature and seal of the legal entity (if any);

5) certificates of government revenue body at the place of registration of the absence of the tax debt, debt on compulsory pension contributions, compulsory professional pension contributions and social contributions.

### **WHAT IS THE PROCEDURE FOR THE INVESTMENT PREFERENCES PROVISION?**

· application for the provision of investment preferences with necessary documents \*\*.

Management of investment preferences of Investment Committee of the Investment and Development Ministry of the Republic of Kazakhstan (IDM of the RoK)

within eighteen working days from the date of the application registration reviews the documents;

Applicant - Legal entity of the Republic of Kazakhstan, including with foreign participation

In case of matching documents with the requirements laid down in Article 286 of the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015, the management of the Investment Committee of the IDM of the RoK within two working days following the review of the documents gets an Order for the conclusion of the Contract;

Legal entity of the Republic of Kazakhstan, including with foreign participation

executive in charge of the Investment Committee within ten working days from the date of signing of the order on concluding a Contract prepares for signing a draft of the Contract \*\*\* and sends to the applicant;

the draft of the Contract signed by the parties is registered by the Investment Committee of the IDM of the RoK within five business days \*\*\*\*;

\*\* Requirements on drawing up an investment project business plan. Annex 2 to the order of Investment and Development Minister of the Republic of Kazakhstan from November 30, 2015 № 1133

\* An application for investment preferences provision. Annex 1 to the order of Investment and Development Minister of the Republic of Kazakhstan from November 30, 2015 № 1133

\*\*\* A model contract for the realization of the investment project, providing the implementation of investments and investment preferences provision. Approved by the Government of the Republic of Kazakhstan from January 14, 2016 № 13

\*\*\*\*\* Order of Acting Minister of Investment and Development of the Republic of Kazakhstan from December 30, 2015 № 1281 "On approval of Rules of acceptance, registration and review of the application for investment preferences provision"

**\*\*\*\*** Standard of state service "The conclusion of the investment contract for the realization of the investment project providing the implementation of investments and investment preferences provision". Approved by the Order of Investment and Development Minister of the Republic of Kazakhstan from April 21, 2015 № 478

issuance of the registered Contract to the applicant \*\*\*\*\*.

Legal entity of the Republic of Kazakhstan, including with foreign participation

* ***ALGORITHM / ACTIONS SEQUENCE IN CASE OF FULL OR PARTIAL FAILURE OF THE DUTIES (FUNCTIONS) BY THE STATE BODIES.***

**How to appeal against decisions, actions (inactions) of the Service Provider and (or) its officials on the provision of state service "Conclusion of an investment contract for the realization of the investment project providing the implementation of investments and investment preferences provision"?**

A state service is provided by the Investment Committee of the Ministry (hereinafter - the Service Provider).

Receipt of applications and the issuance of the results of the state service are carried out by the administrative office of the service provider.

The form of the state service: paper.

State service is provided free of charge to legal entities (hereinafter – Service Receiver).

The work schedule of the Service Provider is from Monday to Friday from 9.00 to 18.30, lunch break from 13.00 to 14.30, except from weekends and holidays, according to the labor legislation of the Republic of Kazakhstan.

Receipt of applications and the issuance of the results of the state service is carried out from 9.00 to 17.30 with a lunch break from 13.00 to 14.30.

The state service is by way of turn, without an appointment and the accelerated service.

The appeal shall be addressed to the Head of the Service Provider at the address: 010000 Republic of Kazakhstan, Astana city, Kabanbay Batyr 32/1, building “Transport Tower”, office # 2301, phone: 8 (7172) 75 45 50, 75 45 85 or to the Head of the Ministry at the address: 010000 Republic of Kazakhstan, Astana city, Kabanbay batyr 32/1, building “Transport Tower”, office # 1012, phone: 8 (7172) 75 44 11, 75 45 46.



The appeal is received in writing by mail or purposely through the administrative office of the Service Provider or the Ministry.

Confirmation of acceptance of the appeal is its registration (stamp, incoming number and date) in the administrative office of the Service Provider or the Ministry, with the name and initials of the person who received the appeal, date and place of getting a response to the appeal.

In the appeal the Service Receiver should indicate its name, postal address, reference number and date. The appeal must be signed by the Head of the Service Receiver.

The appeal of the Service Receiver received at the address of the Service Provider or the Ministry, subject to review within five working days from the date of its registration.

In case of disagreement with the results of the provided state service, the Service Receiver can appeal to the authorized body on assessing and monitoring the quality of state services.

The appeal of the Service Receiver received at the address of the authorized body on assessing and monitoring the quality of state services shall be considered within fifteen working days from the date of its registration.

In cases of disagreement with the results of provided state service, the Service Receiver goes to court.



Address of the provision of state services: Astana, Kabanbay Batyr 32/1.

The Service Receiver has the opportunity to obtain information on the procedure and the status of the state service provision remotely through a single call center on the provision of state services 1414. C:\Users\User\Pictures\загружено.png

Contact telephone of call centers on the provision of state services: 8 (7172) 754532C:\Users\User\Pictures\загружено.png

**How to get advice of the tax authorities on the exemption from customs duties and value added tax for imports during the implementation of investment projects, as well as on preferences on taxes during the implementation of the investment priority projects?**

**Memo \***

**of the Service Receiver on the procedure of obtaining state service**

**"Explanation of tax legislation of the Republic of Kazakhstan" \*\***

The state service is rendered by the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan, the territorial bodies of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan (hereinafter - the Service Provider) \*\*\*.

Work schedule:

1) Service Provider - from Monday to Friday, from 9.00 to 18.30 with a lunch break from 13.00 to 14.30, except from weekends and holidays according to the labor legislation of the Republic of Kazakhstan;

2) portal - around the clock, except for the technical interruptions due to maintenance works.

Internet resources of the: Service Provider - [www.kgd.gov.kz](http://www.kgd.gov.kz), Ministry - [www.minfin.gov.kz](http://www.minfin.gov.kz).

Receiving the application and issuance of the result of the state service are performed by the Service Provider.

In order to obtain the state service the Service Receiver should require in paper form or electronic form.

The results of the state service are:

1. a reasoned response in writing on paper or in electronic form, certified by the electronic digital signature (hereinafter - EDS) of the Service Provider’s Official;
2. a reasoned response of the Service Provider on the refusal in providing the state service.

The state service is also provided through the web portal of “electronic government”: www.egov.kz (further - the portal).

**Terms of rendering the state service:**

On reviewing the Service Receiver’s request, that does not require obtaining information from other entities, officers, or check on-site - within 15 (fifteen) calendar days after receiving the request by the Service Provider;

On reviewing and taking a decision on the Service Receiver’s request, that requires obtaining information from other entities, officers, or check on-site - within 30 (thirty) calendar days after receiving the request by the Service Provider;

when necessary to carry out an additional study or verification the period of review shall be extended for not more than 30 (thirty) calendar days, and the Service Receiver should be notified about it within 3 (three) calendar days from the date of extension of the review period.

Additional information may also be obtained by contacting the single call center 1414

and 8-800-080-7777. **The call is free.**

\* <http://kgd.gov.kz/ru/content/razyasnenie-nalogovogo-zakonodatelstva-respubliki-kazahstan-1-0>

\*\* Standard of state service "Explanation of tax legislation of the Republic of Kazakhstan". Annex 22 to the order of the Minister of Finance of the Republic of Kazakhstan dated April 27, 2015 № 284

\*\*\* Contact information of the State Revenue bodies providing state services with breakdown by regions and districts - <http://kgd.gov.kz/ru/content/kontaktnye-dannye-organov-gosudarstvennyh-dohodov-1>

### **What telephone numbers receive the complaints on actions (inactions) of the officers of tax, customs, and economic investigations services?**

### **Trust lines of the State Revenue Committee bodies of the Ministry of Finance of the Republic of Kazakhstan \***

|  |  |  |
| --- | --- | --- |
| **№** | **Body** | **Telephone number** |
| **1.** | **State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan** | 8 (7172) 709820  Call-center - 1412  8-800-080-64-52 |
| **2.** | Department of State Revenue in Astana | 8 (7172) 31-61-45 |
| **3.** | Department of State Revenue in Almaty | 8 (7272) 79-35-40 |
| **4.** | Department of State Revenue in Akmola region | 8 (7162) 25-62-84 |
| **5.** | Department of State Revenue in Almaty region | 8 (7272) 51-71-06 |
| **6.** | Department of State Revenue in Aktobe region | 8 (7132) 21-08-89 |
| **7.** | Department of State Revenue in Atyrau region | 8 (7122) 35-42-10 |
| **8.** | Department of State Revenue in East Kazakhstan region | 8 (7232) 24-57-11 |
| **9.** | Department of State Revenue in Zhambyl region | 8 (7262) 34-75-38 |
| **10.** | Department of State Revenue in West Kazakhstan region | 8 (7112) 53-84-23 |
| **11.** | Department of State Revenue in Karaganda region | 8 (7212) 56-42-16 |
| **12.** | Department of State Revenue in Kostanay region | 8 (7142) 53-65-80 |
| **13.** | Department of State Revenue in Kyzylorda region | 8 (7242) 21-54-65 |
| **14.** | Department of State Revenue in Mangistau region | 8 (7292) 40-36-59, 30-13-26 |
| **15.** | Department of State Revenue in Pavlodar region | 8 (7182) 61-29-19 |
| **16.** | Department of State Revenue in South Kazakhstan region | 8 (7252) 42-80-73 |
| **17.** | Department of State Revenue in North Kazakhstan region | 8 (7152) 46-33-29 |
| **18.** | “Dostyk” customs service | 8 (72833) 3-20-46 |

\* Trust lines with the breakdowns by the regions - <http://kgd.gov.kz/ru/content/telefony-doveriya-1>

### **To who can refer investors to protect their rights?**

From January 1, 2016 the position of Investment Ombudsman has been introduced. Investment Ombudsman - an official appointed by the Government of the Republic of Kazakhstan, which is entrusted with functions on assisting in the protection of rights and legitimate interests of investors.

The main functions of an investment ombudsman are:

1) to review the requests of investors on issues arising in the course of carrying out investment activities in the Republic of Kazakhstan, and to make recommendations for their resolution, including interacting with government agencies;

2) To assist investors in solving emerging issues in court and pre-trial orders;

3) To develop and submit to the Government of the Republic of Kazakhstan recommendations on improvement of legislation on investment activity.

The address of the investor: a physical person shall include the name, the surname, as well as the optional the middle name, mailing address; a legal entity - its name, legal address, reference number and date of address.

The address must be signed by the investor or his legal representative, whose rights and legitimate interests have been infringed, or certified by the electronic digital signature.

In case of the investor’s complaint on the violation of his rights and legitimate interests, there shall be indicated the name of the subject or title, surnames and initials of officials whose actions (inactions) violated the rights and legitimate interests of investors, the motives and requirements.

The address should be accompanied by the documents and other materials confirming the investor's requirements.

In order to assist investors in solving emerging issues the Investment Ombudsman:  
1) explains the investor issues concerning his rights and interests, including forms and methods of their protection provided by the legislation of the Republic of Kazakhstan;

2) holds meetings, consultations, protocol meetings with government agencies and organizations for regulating investors’ issues, hears the Heads of the interested state bodies and organizations or their deputies on the issues of investors’ addresses review;

3) analyzes the requests of investors and the results of the hearings of the state bodies and organizations;

4) analyzes the legislation and reveals regulations that violate the rights of investors or hinder the conduct of business, and at the end makes recommendations for the restoration of violated rights and legitimate interests of investors;

5) sends to the state body and / or official whose actions (inactions) violated the rights and legitimate interests of investors, the recommendations aimed at the restoration of violated rights and legitimate interests of investors.

Investor’s address is reviewed by the investment ombudsman within thirty calendar days from the date of receipt.

Address must be submitted to the Investment and Development Ministry of the Republic of Kazakhstan (IDM of the RoK), which records and transmits them to the Investment Ombudsman. Address of IDM of the RoK: Astana city, Yesil district, Kabanbay Batyr 32/1, building "Transport Tower". If the request by e-mail, then http://egov.kz/cms/ru/services/e\_app through the portal, as well as through the portal - http://invest.gov.kz/contacts. Trust line of IDM of the RoK: +7 (7172) 754-547 - free call.

### 

### **What are the main functions of the investment ombudsman?**

### **How should an investor address to the investment ombudsman?**

**The procedure of reviewing the address of the investors by investment ombudsman**

**How long is the investor’s address reviewed by the investment ombudsman?**

**Where to address for the investment ombudsman**

### **Who else can the entrepreneurs address to to protect their rights?**

From January 1, 2016 the position of Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan has been introduced. The Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan - a person appointed by Decree of the President of the Republic of Kazakhstan in order to represent, support and protect the rights and legitimate interests of businesses in the state bodies, as well as to protect the interests of the business community.

Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan is accountable to the President of the Republic of Kazakhstan.

### Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan:

### provides, protects the rights and legitimate interests of businesses in the state bodies and other organizations of the Republic of Kazakhstan, as well as international organizations and foreign states;

### 2) reviews the requests of business entities;

### 3) makes proposals to the state bodies on protection of the rights of business entities, as well as the recommendations on suspension of the sublegislative laws and regulations;

### 4) directs to the state bodies (officials), whose actions (inactions) violated the rights and legitimate interests of business entities, recommendations for measures to restore the violated rights, including the involvement of those responsible for violations of the rights and legitimate interests of businesses to justice;

### 5) sends requests to the prosecuting authorities in case of disagreement with the views of the state bodies in order to further restore the rights of entrepreneurs;

### 6) in case of the facts of systematic violations of the rights of entrepreneurs and the inability to resolve them at the level of state bodies submits requests to the President of the Republic of Kazakhstan;

### 7) requests from government bodies (officials) information, documents and materials relating to the rights and obligations of the business entities, with the exception of information constituting a state, commercial, banking and other secrets protected by law;

### 8) addresses to the court with a claim (statement);

### 9) takes other legal measures to restore the violated rights and legitimate interests of business entities.

The Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan within his competence:

1) considers addresses of business entities (hereinafter - the applicant), with the exception of addresses:

which previously had not been considered by state authorities within their competencies;

on the facts of infringement of the rights of the applicant by other subjects of private entrepreneurship;

2) informs the applicants about sending their applications to the authorized state bodies and organizations;

3) informs applicants of the results of their addresses and the measures taken.

Applicants' addresses received by the Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan are reviewed within thirty calendar days.

Address of the central office: 010000 Republic of Kazakhstan, Astana, Kunaev street, 8, AZ "Izumrudniy kvartal", Block "B", 42 floor. Reception phone: +7 (7172) 270 454, Administration Office: +7 (7172) 919 390,

E-mail: info@palata.kz.

Electronic address may be filed on the following link:[**http://ombudsmanbiz.kz/rus/virtualnaya\_priemnaya/podat\_obrashenie/**](http://ombudsmanbiz.kz/rus/virtualnaya_priemnaya/podat_obrashenie/)

**What are the main functions of the Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan?**

**The procedure of reviewing the addresses by the Commissioner on the Protection of the Rights of Entrepreneurs of Kazakhstan**

**How long are the entrepreneur’s addresses are reviewed?**

**Where to address for the investment ombudsman?**

* ***SUBSIDINGFROM THE BUDGET THE LOSSES OF TRANSPORTERS CONNECTED WITH THE IMPLEMENTATION OF SOCIAL AND SIGNIFICANT TRANSPORT OF PASSENGERS.***

Selection of air routes proposed for subsiding from the state budget is made by the Commission, created by the Committee of Civil Aviation of the IDM of the Republic of Kazakhstan (hereinafter - Commission of CA IDM of the RoK).

Selection of air routes proposed for subsiding from the local budget is made by the Commission, created by local executive bodies of regions, cities and the capitals (hereinafter - Commission of the local executive body) \*.

**AIR ROUTES**

Air routes, defined by the decision of the Government of the Republic of Kazakhstan or the authorized state body that do not provide the level of income under the mentioned below criteria:

1) air routes connecting the capital, cities of national importance with the regional centers and large cities in the regions;

2) air routes connecting regional centers with each other and inter-regional air routes, if the route is socially significant for the development of the region.

Air routes defined by the decision of the Government of the Republic of Kazakhstan or the authorized state body are defined on the basis of addresses of local executive bodies.

Local executive authorities for inclusion of air route into the list of air routes proposed for subsiding from the national budget, submit to the Commission of CA IDM of the RoK necessary calculations indicating the desired amount of the subsidy for each air route.

 The list of air routes, proposed for subsiding from the local budget, includes air routes, defined by the decisions of local executive bodies of the regions, cities of republican significance and the capital as not providing the level of income and providing connection with the remote communities within one region.

 The list of air routes for subsiding from the national budget, formed by the Commission of CA IDM of the RoK is included in the budget request submitted to the Ministry of National Economy of the Republic of Kazakhstan during the formation of the republican budget for the corresponding financial year.

The list of air routes for subsiding from the local budget, formed by the Commission of the local executive body is included in the budget request submitted to the local authorized body on budget planning during the formation of the local budget for the financial year.

\* Resolution of the Government of the Republic of Kazakhstan dated December 31, 2010 № 1511 "On approval of Rules of subsidizing of air routes"

 For obtaining budgetary subsidies a contract of the budget subsidy of regular air routes is signed between the administrator of the relevant budget program and the winner determined by the results of the contest or during the distribution of subsidized air route.

**Who selects air routes proposed for subsiding?**

**What is included into the list of air routes, proposed for subsiding from the national budget?**

**What is included into the list of air routes, proposed for subsiding from the local budget?**

**What body receives a list of air routes, proposed for subsiding from the budget?**

**What contract is concluded for obtaining budgetary subsidies?**

**Who and how conducts a competition for the subsidized air routes?**

Organizer of the competition for the subsidized air routes - Civil Aviation Committee of IDM of the RoK

Civil Aviation Committee of of IDM of the RoK forms the tender documentation, which sets out the list of subsidized air routes exposed to competition, the total annual amount of subsidies for each air route, the minimum number of frequencies, the tariff for each subsidized air route and minimum required number of seats on the aircraft.

The competition is held once a year not later than the beginning of the next fiscal year. \*

The following airlines can take part in the competition:

1. registered in the Republic of Kazakhstan and having Operator Certificate \*\*;
2. who are authorized to perform regular domestic commercial air transport \*\*\*;
3. which do not have debts on taxes and other obligatory payments to the budget, with the exception of cases when the deadline for payment is delayed in accordance with the legislation of the Republic of Kazakhstan \*\*\*\*;

4) having irreducible reserve of financial assets needed to provide scheduled air services in accordance with the approved schedule for the month without taking into account the expected income.

\* Resolution of the Government of the Republic of Kazakhstan dated January 31, 2013 № 69 "On approval of rules of competition for the subsidized air routes and the issuance of certificates for the subsidized air routes to provide services for the carriage of passengers, baggage, cargo and mail"

\*\* Order of Acting Minister of Investment and Development of the Republic of Kazakhstan dated November 10, 2015 № 1061 "On approval of Rules of certification and issuance of the certificate of the operator of civil aircraft"

\*\*\* Order of Acting Minister of Investment and Development of the Republic of Kazakhstan dated March 27, 2015 № 352 «On approval of the Rules of admission of the airlines to perform regular domestic commercial air transport»

\*\*\*\* Tax Code of the Republic of Kazakhstan dated December 10, 2008 № 99-IV - Chapter 6

**Which airlines can take part in the competition on subsiding air routes?**

**What is the procedure and terms of competition for the subsidized air routes?**

Placing ads on the Internet site\* of the organizer of the contest for the competition

Opening of envelopes with bids.

Organizer of the competition:

1) sends a copy of the minutes of opening the envelopes with applications of the airlines participating in the competition or their authorized representatives;

2) publishes on its Internet site the text of the signed protocol of opening the envelopes with applications.

Evaluation of completeness of the tender documentation of the potential bidders

Evaluation and comparison of bids and determination of the winner.

Results of the competition within the period of not more than 7 seven calendar days from the date of opening of envelopes with registration of the report on results of the competition.

Organizer of the competition:

1) directs the airlines participating in the competition a copy of the report on results of the competition;

2) publishes on its Internet site the text of the signed protocol on the results of the contest.

Within 10 calendar days from the date of signing of the protocol on the results a contract between the winner and the appropriate budget program administrator is concluded.

Not later than 1 business day following the date of opening of envelopes with applications for participation in the tender, the commission shall prepare and sign a relevant protocol.

15 calendar days before the start of the competition.

within 3 working days from the date of opening of envelopes a decision on the admission of potential participants to participate in the competition shall be taken.

no later than 5 working days following the date of opening envelopes with applications

no later than 5 working days following the day of signing of the protocol on the results of the competition

Civil Aviation Committee gives the winner a certificate for subsiding air route. Issued certificate on subsiding air route is valid until the results of the next contest.

within 5 calendar days from the date of signing the contract.

\* Civil Aviation Committee site - <http://aviation.mid.gov.kz/>

**Who is prescribing the fares on automobile passengers and luggage transportation?**

Fare on regular in urban (country) services is prescribed by local executive body, which is joint for all routes.

Price of passengers and luggage transportation in suburban service is prescribed by transportation organizer, depending from distance of transportation in accordance with fare, approved by local executive body.

Fares on regular social important transportation of passengers are prescribed by local executive body.

**In which cases, local executive bodies subsidies losses of tranposrters?**

If above mentioned fares are not providing profitability of passengers transportations, local executive bodies subsidies losses of transporters.\*

**What is the order of preparation of social important autmobile services list, that are subject to subsidies?**

Transporter is submitting to local executive body of the corresponding administrative-areal unit, the calculation on fares on route, defined in accordance with Methodology.\*\*

For definition of calculations authenticity, provided by transporter and formation of proposals in the list of social important services, subject to subsidies, the local executive body of corresponding administratvice-areal unit, by the order of Mayor’s office establishes the Commission on fares (interdistrict, intradistrict, urban (country) and suburban services).

Commission, for confirmation of correctness of fares definition, in case of arising of questions, request from transporter the documents and information in the frames of Economico-mathematical model of fare formation on regular automobile passengers and luggage transportation, which is the annex No. 1 to the Methodic, that were used upon calculation of fare only once.

Upon the results of the meeting, Commission by protocol confirms correctness of fares and prepares the list of social important services during 15 business days from the day of reciepts of calculations from the transporter.

Local executive body, during one month after approval by local representative body of regions, cities of national significance, the capital of local budget approves on three years period the amounts on social important subsidized services.

**How the amount of subsidies are defined?**

Definition of amounts volumes, directed on subsidization of social-important services, is performed on each route on the basis:

1) difference between fare on passengers transportation, defined in accordance with the Methodic and fare on social important automobile services, prescribed by local executive body;

2) amount of annual planned for transportation passengers.

\*\*\* the order of acting Minister on investment and development of the Republic of Kazakhstan dated August 25 2015 No. 883 “On approval of Rules of subsidization at the cost of budget funds of transporter losses, connected with performance of social important passengers transportations”

\*\*the order of Minister of transport and communication of RK dated October 13 2011 No. 614 “On approval of Methodic of fares calculation on provision of services on passengers and luggage transportation on regular routes”

\* the Law of the Republic of Kazakhstan dated July 4 2003 N 476 “On automobile transport”

**Who is seeking a tender on automobile passengers and luggage transportations?**

The Organizers of Tender are:

1) on the right of servicing of routes of regular intercity interregional, interdistrict (intercity intraregional), and in city of national significance, captial – urban and suburban automible passengers and luggage transportations – local executive bodies of region, cites of republican significance, capital.

2) the right of servicing of routes of regular urban (country), suburban and intradistrict automobile passengers and luggage transportations - local executive bodies of districts, cities of regional significance.\*

**Who can participate in this tender?**

In tender can participate and physical and legal entities, posses buses, minibuses on the right of property or other legal basis, able to organize this type of transportations and provide technical maintenance and repair of buses, minibuses.\*\*

**How is the winner of tender is defined?**

The Winner of Tender on the right of servicing of specific route (routes) declare participant, proposed the best conditions of transportations taking into account the qualitative service of passengers and provision of transportation safety on this route (routes) and received the most score number.  
     In case, if two or more participants collected the equal maximal score, preference is given to the transporter, whose buses and minibuses are of local manufacture and who proposed the lowest fare on transportations, according to which the transportations will be performed.

**How long the tender takes?**

The Tender, starting from date of its call and ending with the date of signing the protocol on the results of tender, takes not less than 30 and not more than 45 calendar days.

\* the order of acting Minister on investment and development of the Republic of Kazakhstan dated March 26 2015 No. 349 “On approval of Rules of passengers and luggage transportation by automobile transport”

\*\* the order of Minister on investment and development of the Republic of Kazakhstan dated April 30 2015 No. 547 “On approval of Rules of automobile vehicles technical maintenance”

**What is the order and terms of tender process on the right of routes servicing of regular interrepublican automobile passengers and luggage transportations?**

The announcement of the tender in printed media, distributed on the whole territory of the Republic of Kazakhstan.

no later than 30 calendar days before the Tender process

The Commission holds pre-tender conference on the questions of tender process.

Chairman of the Commission forms pre-tender commission to organize the on-site check of authenticity of the data submitted by the participants of the Tender.

Within 5 business days from the date of publication of the announcement of the Tender

Those wishing to participate in the tender present a request for receipt of set of the tender documentation in writing or by e-mail, specified in the announcement.

Organizer of the tender present tender application to the requesting party in a period not exceeding 3 working days from the date of filing of the application.

Registration of Tender participants starts after the day of publication of the announcement about the Tender and completed within 10 working days before it start.

For registration as a participant of the Tender, it is necessary to submit to the Commission an application for participation in the tender on relevant lot with attachment of necessary documents.

In parallel with the accepted application, pre-tender commission or the Secretary of the Commission prepares the Inspection schedule and in writing no later than 3 working days notifies each member about time of Inspection. Member in the day of inspection submit to the pre-tender commission all the necessary materials, and provides the ability to familiarize them with the required facilities.

On the results of inspection, pre-tender commission provides the marking on the reliability of the information presented in the tender offers and attach a certificate of conformity of vehicles with the requirements set out in Chapter 13 of the Rules of passenger and luggage transportation by automobile transport.

On the day of the Tender, Commission members alternately opens the envelope with the application and accompanying documents of participants and considering tender proposals, in accordance with the list of participants’ registration. Members of the Commission in accordance with the grading scale put points in the tender proposals evaluation sheet.

After review and evaluation of all the envelopes with documents of the participants for specific lot, the Secretary of the Commission summarizes the final score sheets of tender proposals by the relevant parties and determines the overall total score, which is recorded in the protocol.

As a result of the total combined points the members of the Commission reviewing the documents, including the participants Certificate with a maximum total combined score.

In case of positive evaluation of pre-tender commission on compliance of vehicles with the requirements of the above-mentioned Regulations, the participant recognized as the winner of the competition on the relevant lot.

In the case of a negative conclusion of pre-tender commission, members of the Commission are moving to the similar review the documents of participant, received the next maximum total combined score.

* ***RECOVERY OF PART OF EXPENSES OF INDUSTRIAL-INNOVATIVE ACTIVITY SUBJECTS ON PROMOTION OF DOMESTIC PROCESSED GOODS, WORKS AND SERVICES IN INTERNAL MARKET***

**Who is related to subjects of *industrial-innovative activity*?**

the subjects of industrial-innovative activity - physical and (or) legal entities that implement industrial-innovation projects in priority sectors of the economy or engaged in activities to promote domestic processed goods, works and services on the domestic and (or) foreign markets;

Industrial-innovative project - a set of measures aimed at technology transfer, the creation of new or improvement of existing production facilities, technologies, goods, works and services implemented within a certain period of time.

An innovation is the introduction of the use of a new or significantly improved product (good or service) or process, a new marketing method or a new organizational method in business practices, workplace organization or external connections.

Technology understood to be the process, and (or) complex of equipment operating in a single production cycle, the use of which provides new or improved goods and services\*.

It includes 6 priority manufacturing industries, such as metallurgy, chemistry, petroleochemistry, mechanic engineering, construction of materials, food industry\*\*.

Entrepreneurs in the tourism area will be able to recover the part of their expenses on promotion of domestic processed goods, works and services on internal market

Compensated the reasonable and documented expenses in the amount of 50% of the amounts presented for reimbursement, but no more than 3 thousand monthly calculation indices on one subject of industrial innovation\*\*\*.

# \*Commercial Code of the Republic of Kazakhstan dated October 29 2015 No. 375-V ЗРК – article 242

\*\*the Order of the President of RK dated August 1 2014 No. 874 “On approval of State program of industrial-innovative development of the Republic of Kazakhstan for 2015-2019 yrs.”

\*\*\* the order of acting Minister on investment and development of the RK dated December 4 2015 No. 1164 “On approval of Rules of reimbursement of parts of expenses of industrial-innovative activity subjects on promotion of domestic processed goods, works and services in internal market”

**What is related to industrial-innovative projects?**

**What is innovation?**

**What is understood to be technology?**

**What is related to the priority sectors of economy?**

**If the tourism is not included in priority sectors of economy, then will the enterpreneurs in the tourism area be able to recover part of their expenses?**

**To what extent the costs are reimbursed to the subjects of industrial-innovative activity?**

**What expenses are reimbursed by the subjects of industrial-nnovative activity?**

1) for consulting services related to the confirmation of the compliance of domestic processed goods, works and services and quality management systems;

2) on the promotion of domestic processed goods, works and services in the internal market.

Taxes and obligatory payments to the budget are non-refundable.

Allowed for review the applications of the subjects of industrial-innovative activities that:

1) are the domestic producers of goods, works and services;

2) the costs incurred above, during the last two (2) calendar years before the date of the announcement of the Call for Proposals;

3) have no tax arrears, compulsory pension contributions, compulsory professional pension contributions and social contributions, which lasts more than three months (except in cases where the deadline for payment is delayed in accordance with Chapter 6 of the Tax Code of the Republic of Kazakhstan dated 10 December 2008).

List of organizations on reimbursement of expenses for 2016 can be viewed at the following link: <http://www.nadloc.kz/?p=3347>

List of organizations on reimbursement of expenses for 2016 can be viewed at the following link: <http://www.nadloc.kz/?p=1979>

**What expenses are non-refundable?**

**What applications are subjects for review for reimbursement?**

**Where can I find a list of organizations, which were reimbursed with part of the expenses for 2015 and 2016?**

**What is the procedure for reimbursement of expenses of subjects of industrial-innovative activities to promote domestic processed goods, works and services in the internal market?**

Announcement on receipt of applications in the national print media, including Internet resources WORLD Kazakhstan and "National Agency for the development of local content "NADLoC" JSC.

Admission (registration) of applications shall be completed no earlier than one month after the first publication of the announcement.

Checking the submitted application for completeness and compliance with the requirements of the Rules.

Application and resume of the application introduced by the National Institute to the commission review not later than one month after the date of completion of receiving applications.

Commission within 3 working days after the submission of the required documents, examines them for compliance with the requirements of this Rules and contributes the requirements to MID of RK for reimbursement of part of expenses of subjects of industrial-innovation activity.

The decision on the reimbursement of part of expenses is made by the authorized body within five (5) business days from the moment the commission introduce its recommendations.

The authorized body within five (5) working days from the date of decision on reimbursement of part of the expenses directs its decision to the National Institute.

Based on the decision of the authorized body, the National Institute within 5 (five) working days from the date of receipt of funds, transfer the amount of reimbursement of part of expenses on the bank accounts of the subjects of industrial-innovation activity.

The National Institute within 5 (five) working days from receipt of the decision of the MID RK places it in the national print media, including Internet resources of MID RK and the National Institute.

According to the results of checking of applications, National Institute prepares a summary of the application of subject of industrial-innovation for reimbursement of part of expenses.

* ***COMMENTS ON COLLISIONS AND OMISSIONS/DISADVANTAGES OF NORMATIVE-LEGAL ACTS, PROPOSALS FOR THEIR SOLUTION OR ALGORITHM / SEQUENCE OF ACTIONS.***

1) In sub-paragraph 2 of paragraph 9 of the Decree of the Republic of Kazakhstan dated January 31, 2013 № 69 "On approval of rules of competition for the subsidized air routes and the issuance of certificates for the subsidized air routes to provide services for the carriage of passengers, baggage, cargo and mail" contains a reference to the Rules of admission of airlines to perform regular domestic commercial air transportations, approved by Resolution of the Government of the Republic of Kazakhstan dated February 25, 2013 № 185.

However, in accordance with the Law of 29.09.2014, № 239-V ЗРК on the division of powers between levels of government is no longer in force by the decision of the Republic of Kazakhstan dated October 13, 2015 № 824.

Instead, it was adopted by the Acting Minister for Investment and Development of the Republic of Kazakhstan dated March 27, 2015 № 352.

**Proposal**: amend the subparagraph 2 of paragraph 9 of the Decree of the Government of the Republic of Kazakhstan from January 31, 2013 № 69.

2) The earlier order of the Republic of Kazakhstan dated August 2, 2012 № 1017 "On approval of the Rules of reimbursement of part of costs of subjects of industrial-innovative activities to promote domestic processed goods and services to foreign markets, the list of domestic processed goods and services, on which expenses are partly reimbursed on their promotion to foreign markets, and repeal of certain decisions of the Government of the Republic of Kazakhstan" had repealed by the decision of the Government of the Republic of Kazakhstan dated 18/02/2016 No. 73, as in accordance with the Law of 29.09.2014, № 239-V ЗРК on delimitation of powers between levels of government was adopted by order of the Minister for investment and development of the Republic of Kazakhstan dated November 30, 2015 № 1128.

In accordance with this order No. 1128 the part of the expenses are reimbursed of subjects of industrial-innovative activities to promote domestic only processed goods and services fell off these rules. Although in the pre-existing in the Resolution No. 1017 in addition to the list of domestic processed goods, there was a list of services, among which were listed and tourist services. In this case, unlike the previous regulations in the new order fell off the clear indication of the promotion on foreign markets.

The Order of the Acting Minister for Investment and Development of the Republic of Kazakhstan dated December 4, 2015 No. 1164 "On approval of Rules of reimbursement of part of expenses of the subjects of industrial-innovative activities to promote domestic processed goods, works and services in the internal market" is already present clear indication of the progress on the domestic market, and also present the work and services, but at that there is not indication of list of these works and services.

In the pre-existing regulations of the Republic of Kazakhstan dated July 9, 2012 No. 922 "On Approval of the Rules of reimbursement of part of expenses of subjects of industrial-innovative activities to promote domestic processed goods, works and services in the internal market", which has become invalid by the decision of the Government of Kazakhstan dated February 18, 2016 No. 73, there was a list of economic activities, which are reimburse part of expenses of subjects of industrial-innovative activities to promote domestic processed goods, works and services in the domestic market. Among them were services in the area of tourism as services of habitation organization.

**Proposal**: to include in the order of the Minister for Investment and Development of the Republic of Kazakhstan dated November 30, 2015 № 1128 not only goods but also services, including tourism.

1. Official websites of the EKO state bodies. [↑](#footnote-ref-1)
2. Decree № 168 of the Government of the Republic of Kazakhstan dated 31 March 2015 “On confirmation of the Single business support and development program “Business roadmap 2020” [↑](#footnote-ref-2)
3. Decree № 605 of the Government of RK dated 11 May 2012 “On approval of the list of the national development institutions and other legal entities, fifty and more percent of voting shares (equity shares in equity capital) of which directly or indirectly belong to the government, authorized for the state support realization of industrial and innovation activity” [↑](#footnote-ref-3)
4. Decree № 162 of the Government of the Republic of Kazakhstan dated 31 March 2015 “On approval of the Employment roadmap 2020” [↑](#footnote-ref-4)
5. Decree № 225 of the Government of RK dated 4 March 2011 “On approval of the Post-crisis recovery Program (competitive enterprises recovery)” [↑](#footnote-ref-5)
6. http://www.kazagro.kz/web/fond/murabaha [↑](#footnote-ref-6)
7. http://www.kazagro.kz/web/acc/lending-to-non-agricultural-business [↑](#footnote-ref-7)
8. http://www.kazagro.kz/web/acc/lending-to-non-agricultural-business [↑](#footnote-ref-8)
9. http://www.kazagro.kz/web/acc/credit-partnerships [↑](#footnote-ref-9)
10. http://www.kazagro.kz/web/acc/by-cp [↑](#footnote-ref-10)
11. http://www.damu.kz/21197 [↑](#footnote-ref-11)
12. https://www.bcc.kz/product/%D0%BAreditovanie\_subektov\_malogo\_i\_srednego\_biznesa\_po\_programmam\_EBRR/ [↑](#footnote-ref-12)
13. http://www.damu.kz/398 [↑](#footnote-ref-13)
14. http://www.damu.kz/10068 [↑](#footnote-ref-14)
15. http://www.damu.kz/9633 [↑](#footnote-ref-15)
16. http://www.damu.kz/10064 [↑](#footnote-ref-16)
17. http://www.damu.kz/11782 [↑](#footnote-ref-17)