

October 2011  
Issue 10 (12)

This CLIENT UPDATE includes amendments to the legislation of the Republic of Kazakhstan in October 2011.

## LEGISLATIVE NEWS

We would like to draw your attention to the following regulatory legal acts:

### Resolution of Government of the Republic of Kazakhstan “On Introducing Amendments To The Resolution Of The Government Of The Republic Of Kazakhstan No. 836 19 June 2001, No. 1168 Dated 14 October 2011

According to the Resolution, from 2 November 2011 until 1 January 2015 subsurface users involved in Karachaganak, North-Caspian and Tengiz projects, their operators, contractors and subcontractors (except companies engaged by these subcontractors) will be allowed to involve foreign employees to carry out activities in Kazakhstan above the following limits:

- from 1 July 2011 until 1 January 2012 the total number of involved and attracted foreign specialists of the first category must not exceed 50 percent of the total number of specialists in this category;
- from 1 July 2011 until 1 January 2012 the total number of involved and attracted foreign specialists of the second and third categories must not exceed 30 percent of the total number of specialists in these categories;
- from 1 January 2012 the total number of involved and attracted foreign specialists of the first category must not exceed 30 percent of the total number of specialists in this category;
- from 1 January 2012 the total number of involved and attracted foreign specialists of the second and third categories must not exceed 10 percent of the total number of specialists in each of these categories.

The above mentioned restrictions do not apply to small size business entities until the Kazakhstan accession to the World Trade Organization.

### Law of the Republic of Kazakhstan “On Amendments to Certain Legislative Acts on Special Economic Zones” No. 470-IV Dated 21 July 2011

According to the Law “On Amendments to Certain Legislative Acts on Special Economic Zones”, from 1 January 2012 taxpayers should include their software into third group of fixed assets for tax purposes.

### Double Tax Treaty Between Kazakhstan And Spain

The Agreement on Avoidance of Double Taxation and the Prevention of tax evasion (hereinafter, the “Agreement”) came into force on 18 August 2011. In particular, provisions came into force under which the tax rate on dividends shall not exceed:

- Five percent of the total amount of the dividends if the beneficial owner is a company which directly or indirectly holds not less than 10 percent of the charter capital of the company paying the dividends;
- Fifteen percent of the total amount of the dividends in all other cases.

## Environmental Issues

The Parliament of the Republic of Kazakhstan approved the draft law on amendments to Certain Legislative Acts on environmental issues. The draft law aims to reduce the volume of accumulated waste through the introduction of tougher criminal and administrative penalties for environmental pollution.

According to the draft law, from January 2013 large companies operating in the territory of the Republic of Kazakhstan will be required to develop their own waste management program. If such companies fail to fulfill the requirements established in these programs, the competent authorities will be entitled to suspend or withdraw their license for emission to the environment.

Also, large companies will be exempt from fees for the accumulated wastes that will allow them to allocate funds to implement programs of waste management.

In addition, the draft law introduces a mechanism for assigning quotas of emission of greenhouse gases (water vapor, carbon dioxide, methane and ozone). From 2014 subsurface users, releasing into the environment more than 20 000 tonnes of greenhouse gases per year will have to obtain appropriate quotas. Those companies will be entitled to implement projects to reduce greenhouse gas emissions, and to trade these quotas among themselves.

Subsurface users, releasing into the environment less than 20 000 tonnes of greenhouse gases per year, will not be able to trade quotas, but will be entitled to involve additional investments to address environmental issues in their enterprises.

The draft law submitted to the President for signature.

\* \* \*

We hope that presented information will be useful for you.

**Yours Faithfully,**  
**SIGNUM Law Firm**