

Charter 25. STATE SUPPORT OF THE INVESTMENT ACTIVITY

Paragraph 1. Legal framework for investments

Article 273. Investment relations

1. Regulation of relations connected with investments in the Republic of Kazakhstan, definition of the legal and economic basis to promote the investments, guaranteeing the protection of investors' rights in implementing the investments in the Republic of Kazakhstan, defining measures of state support of investments, and order of regulation of disputes involving investors shall be made in accordance with this Entrepreneurial Code (hereinafter - the Code).
2. The Code does not regulate relations connected with:
 - implementation of investment from the state budget;
 - investment of capital into non-profit organizations, including for educational, charitable, scientific or religious purposes.
3. Provisions of this Chapter shall apply to the relations arising in the implementation of investment and falling under the scope of other laws of the Republic of Kazakhstan, to the extent not contradicting such laws.
4. Relations connected with the involvement by the investor of foreign labor under the investment contract concluded shall be governed by the laws of the Republic of Kazakhstan regarding the employment.

Article 274. Concepts of investment, investor, major investor and investment activity

1. Investment refers to all types of property (other than goods intended for personal consumption), including items of financial leasing starting from the moment of conclusion of leasing agreement, as well as rights on them, invested by the investor to the authorized capital of a legal entity or to increase the fixed assets used for business activities, as well as to the implementation of a public-private partnership project, including a project of concession.
2. Investor refers to a physical or legal entity implementing investment activities in the Republic of Kazakhstan.
3. Activities of individuals and legal entities related to participation in the authorized capital of commercial organizations or creation or increase of fixed assets to be used for business activities as well as for implementation of a public-private partnership project, including a project of concession shall be recognized as an investment activity.
4. Major investor refers to a natural or legal person, who implements investment in the Republic of Kazakhstan in the amount of at least two million times of the monthly calculation index.

Article 275. Objects of investment activity

1. Investors have the right to invest in any facilities and types of business activities, except for cases stipulated by the legislation of the Republic of Kazakhstan. Rights and obligations of investors with regard to the facilities and types of business activities, in which the investment is implemented, are established by this Code and the appropriate agreements.
2. Taking into consideration the need to ensure national security, laws of the Republic of Kazakhstan may determine types of activities and/or territories in respect of which investment activity is limited or prohibited.

Article 276. Guarantee of legal protection of investors' activities in the territory of the Republic of Kazakhstan

1. The investor shall be provided with full and unconditional protection of his/her/their rights and interests, which are established by the Constitution of the Republic of Kazakhstan, Entrepreneurial Code and other legal and regulatory acts of the Republic of Kazakhstan, as well as by the international agreements, ratified by the Republic of Kazakhstan.
2. The investor has the right of compensation for damage caused to him/hew/them as a result of any acts adopted by the state authorities, inconsistent with the laws of the Republic of Kazakhstan, as well as by any illegal actions (inaction) of their officials, in accordance with the civil legislation of the Republic of Kazakhstan.
3. The Republic of Kazakhstan guarantees the stability of conditions of contracts concluded between the investors and the state authorities of the Republic of Kazakhstan, except for the cases when any amendments to the contract are made by mutual agreement of the Parties hereof.

This guaranty does not apply to:

- 1) changes in the legislation of the Republic of Kazakhstan and/or entry into force and/or amendments to the international agreements of the Republic of Kazakhstan, which change the procedure and conditions of import, production and sale of excisable goods;
- 2) amendments and additions to the laws of the Republic of Kazakhstan made to ensure the national security, public order, as well as public health and morality.

Article 277. Guarantees of use of income

Investors have the right to:

- 1) at their discretion use income derived from their activities after payment of all taxes and other obligatory payments towards the state budget, in accordance with the legislation of the Republic of Kazakhstan;
- 2) open accounts with the banks located in the territory of the Republic of Kazakhstan in national currency and/or in foreign currency in accordance with the legislation of the Republic of Kazakhstan regarding the banking and currency.

Article 278. Transparency of activities of state authorities with regard to investors and provision of investors' access to information related to implementation of investment activities

1. Official announcements of state authorities of the Republic of Kazakhstan, as well as legal and regulatory acts affecting the interests of investors shall be published in accordance with the procedure established by the legislation of the Republic of Kazakhstan.
2. Investors, including investors, who invested the amount less than ten percent of voting shares (less than ten percent of total number of votes of voting Members), shall be provided with free access to information about the registration of legal entities, their charters, registration of transactions with real estate, issued licenses, as well as to any other information established by the legislation of the Republic of Kazakhstan that relates to the implementation of investment activity and does not contain any commercial or other secret protected by law.

Article 279. Guarantee of investors' rights in case of nationalization

1. Forced seizure of property of investors (nationalization, requisition) in favor of the state is permitted in exceptional cases stipulated by the legislation of the Republic of Kazakhstan.
2. In case of nationalization, the Republic of Kazakhstan shall compensate to the investor in full the damages caused to him/her/them as a result of enactment of legislative acts of the Republic of Kazakhstan on nationalization.
3. Requisition of property of an investor shall be made with payment to him/her/them of the market price of their property.
Market value of the property shall be determined in the manner prescribed by the legislation of the Republic of Kazakhstan.
4. Assessment, according to which the owner was reimbursed the cost of requisitioned property, may be challenged by him/her/them in a court of law.
5. Upon termination of circumstances in connection with which the requisition was made, the investor has the right to require the return of the remaining property, however, in this case, he/she/they have to return the amount of compensation received by him/her/them, taking into account losses from impairment of assets.

Article 280. Transfer of investor's rights to another person

If a foreign state or a public authority authorized by the state makes any payments in favor of the investor under the guarantee (insurance agreement), granted to him/her/them with regard to the investments implemented in the territory of the Republic of Kazakhstan, and the investor's rights with regard to these investments are transferred (the right of claim is assigned) to this foreign state or a public authority authorized by the state, then, such transfer of rights (assignment) shall be recognized in the Republic of Kazakhstan as lawful only in case that said investor has made

investment in the Republic of Kazakhstan and/or has performed certain contractual obligations.

Paragraph 2. State support of investments

Article 281. Purpose of the state support of investment

1. The purpose of state support of investment is to create favorable investment environment for economic development and to promote investments to the creation of new facilities, expansion and renovation of existing ones with application of modern technologies, advancing of skills and qualifications of Kazakhstani personnel, as well as environmental protection.
2. The state support of investment shall be provided in the form of investment preferences.

Article 282. Authorized Body on Investment

1. State support of investments shall be implemented by the Authorized Body on Investment as determined by the Government of the Republic of Kazakhstan, upon the conclusion of investment contracts and further to monitoring of their execution.
2. The Authorized Body on Investment, within its competence and in order to perform tasks assigned on it, shall have the right, in accordance with the procedure established by the Government of the Republic of Kazakhstan, to involve specialists of relevant government agencies, consultants and experts who are natural and legal persons of the Republic of Kazakhstan.
3. The Authorized Body on Investment shall cooperate with investors through creation and functioning of the “single window” service for investors.
The “single window” principle for investors means a centralized form of assistance to the investors by the Authorized Body on Investment in the provision of state services with the purpose of minimizing the investors’ participation in collection and preparation of documents, as well as limitation of their direct contact with the public authorities.
4. To establish and ensure functioning of the “single window” for investors, the Authorized Body on Investment shall organize a special place where applications should be received regarding the provision of public services and their results should be submitted to the investors or their legal representatives, besides, the Authorized Body shall organize provision of the public services in electronic form through receipt of data from information systems in accordance with the legislation of the Republic of Kazakhstan.
In addition, the Authorized Body on Investment shall perform for the investors or their legal representatives:
 - 1) receipt and advising on existing public services;
 - 2) assistance in preparation and submission of documents required to obtain public services;
 - 3) assistance in preparation and documenting the electronic digital signature, preparation and filing on-line applications and other documents;

4) support to the investor in obtaining of public services in central and local executive bodies in the manner specified in this Article.

5. The Regulations for organization of activities of “single window” for investors shall be approved by the Government of the Republic of Kazakhstan and shall establish the procedure for:

- 1) carrying out receipt and consulting of investors or their legal representatives;
- 2) receipt of applications for the provision of public services and submission of their results to investors or their legal representatives;
- 3) interaction between the Authorized Body on Investment and the state authorities on the issues of public services provision;
- 4) support by the Authorized Body on Investment of investor in his/her/their relations with the state authorities;
- 5) monitoring of the process of public services provision to investors.

The Authorized Body on Investment by the joint order with the state authorities responsible for the provision of public services shall define the persons in charge for interaction in the process of provision of public services to investors and support by the Authorized Body on Investment of investors in the state authorities.

6. The Authorized Body on Investment within the framework of “single window” for investors shall have the right to intercede to the central and local executive authorities regarding the consideration of the investor’s application and submit the investor’s documents to the state authorities.

7. The Authorized Body on Investment shall issues requests for receipt of the investor’s visas for persons who are not residents of the Republic of Kazakhstan, being, however, engaged in the investment activities in the territory of the Republic of Kazakhstan in accordance with the procedure established by the Authorized Body on Investment.

8. The Authorized Body on Investment shall assists investors in ensuring of guaranteed order on the part of the interested legal entities, in accordance with the investment contract concluded between the Authorized Body on Investment and the investor.

9. The Authorized Body on Investment shall be governed in its activities by the Regulations to be approved by the Government of the Republic of Kazakhstan.

Article 283. Concept and types of investment preferences

1. Investment preferences refer to the targeted preferences provided in accordance with the legislation of the Republic of Kazakhstan to legal entities of the Republic of Kazakhstan, engaged in implementation of the investment project.

Legal entity of the Republic of Kazakhstan refers to a legal entity, including an entity with foreign participation, established in accordance with the legislation of the Republic of Kazakhstan.

2. The following investment preferences shall be provided for the investment project (including investment priority project):

- 1) Exemption from customs duties and value added tax with regard to the imported goods;
- 2) state in-kind grants.

3. The following investment preferences shall be provided for the investment priority projects (hereinafter - the investment preferences for investment priority projects):

- 1) taxes preferences;
- 2) investment subsidies.

4. Investment strategic project shall be granted preferences on taxes (hereinafter - the investment preferences for the investment strategic project).

Article 284. Investment project

The investment project is a set of activities providing for making investment in the creation of new facilities, expansion and renewal of existing ones, including production facilities created, expanded and updated within the framework of implementation of the state-private partnership project, including the project of concession.

The investment priority project refers to the investment project, implemented by a newly established legal entity engaged in certain priority activities, list of which is approved by the Government of the Republic of Kazakhstan, and anticipating the implementation of investment in an amount of at least two million times of the monthly calculation index, established by the Law on the National Budget and valid as of the date of filing the application for granting the investment preferences.

The investment strategic project is an investment project included in the list determined by the Government of the Republic of Kazakhstan, and able to make a strategic effect on the economic development of the Republic of Kazakhstan.

Article 285. Procedure of obtaining of investment preferences

1. To obtain the investment preferences, the legal entity of the Republic of Kazakhstan shall file to the Authorized Body for Investment an application for the provision of investment preferences and documents confirming compliance of the applicant with the requirements specified in this Code, in the form established by the Authorized Body for Investment.

2. Investment preferences shall be granted on the basis of an investment contract concluded between the Authorized Body for Investment and the legal entity of the Republic of Kazakhstan implementing the investment project.

Rules of granting of investment preferences by the Authorized Body on Investment under the “single window” principle to investors implementing investment priority project shall be approved by the Government of the Republic of Kazakhstan.

Investment preferences on corporate income tax, stipulated for the investment strategic projects should be provided under the supplementary agreement to the investment contract concluded with the Authorized Body for Investment up to January 1, 2015.

Article 286. Terms and conditions of granting the investment preferences

1. Investment preferences shall be granted:

1) for the investment project - the legal entity of the Republic of Kazakhstan;

2) for the investment priority project - the newly created legal entity of the Republic of Kazakhstan;

3) for the investment strategic project - the legal entity implementing the investment strategic project in accordance with the investment contract, concluded with the Authorized Body on Investment prior to January 1, 2015.

2. For the purpose of application of investment incentives for the investment priority project, the newly established legal entity of the Republic of Kazakhstan refers to a legal entity that complies with the following conditions:

1) legal entity passed through the state registration no earlier than twenty-four calendar months prior to the date of filing of the application for investment preferences;

2) legal entity is engaged in the areas of activities that are included in the list of priority activities identified for the implementation of investment priority projects;

3) implementation of the investment priority project is carried out exclusively within the framework of a single investment contract.

3. For the purposes of application of investment incentives for the investment strategic project, the legal entity should comply with the following conditions:

1) the legal entity carries out activities that are included in the list of priority activities identified for the implementation of investment priority projects approved by the Government of the Republic of Kazakhstan;

2) implementation of the investment strategic project is carried out on the basis of the investment contract concluded before January 1, 2015.

4. Investment preferences shall be provided to a legal entity for the implementation of investment project engaged in the area of activities included in the list of priority activities approved by the Government of the Republic of Kazakhstan.

The priority activities shall be identified in accordance with the general classification of economic activities, approved by the Authorized Body in the sphere of technical regulation.

The list of priority activities identified for the implementation of investment priority projects shall not include the following activities:

- 1) activities in the gambling business;
- 2) activities in the sphere of subsoil use, except for coal bed methane production;
- 3) activities related to the production of excisable goods, except for the production, assembly (supply as a complete set) of excisable goods specified in sub-paragraph 6) of part one of Article 279 of the Code of the Republic of Kazakhstan “On taxes and other obligatory payments towards the state budget” (Tax Code).

The list of priority activities, including the list of priority activities identified for the implementation of investment priority projects may be revised not more often than once a year.

5. Investment preferences for an investment priority project shall be granted with the condition of compliance with the following requirements:

1) the recipient shall be a newly established legal entity of the Republic of Kazakhstan acting as of the date of filing the application for investment preferences, which makes investments in the amount of at least two million times the monthly calculation index established by the Law on National Budget and valid as of the date of filing the application for investment preferences, except for:

- autonomous educational organizations in accordance with the tax legislation of the Republic of Kazakhstan and the legislation on education of the Republic of Kazakhstan;
- organizations operating in the territory of the special economic zone, in accordance with the tax legislation of the Republic of Kazakhstan and the legislation on special economic zones of the Republic of Kazakhstan;

2) share of the state and/or quasi-public sector entity as a founder and/or member (shareholder) of the legal entity of the Republic of Kazakhstan does not exceed twenty six percent.

The time of participation of the state and/or quasi-public sector entity as a founder and/or member (shareholder) of the legal entity of the Republic of Kazakhstan does not exceed five years from the date of registration of the investment contract. Within five years, the state and/or the quasi-public sector entity shall obviously withdraw from the membership as a founder and/or a member (shareholder) of the legal entity of the Republic of Kazakhstan. In case of failure to meet this requirement, the application of investment preferences shall be suspended until his/her/their complete withdrawal from the founders and/or members (shareholders) of the legal entity of the Republic of Kazakhstan, however, such suspension shall not last for more that 1 year.

Failure to comply with the requirement to withdraw from the membership in the legal entity of the Republic of Kazakhstan as a founders and/or a member (shareholder) during the period of suspension, shall entail the early termination of the investment contract and the return of investment preferences previously granted.

The provisions of this subparagraph shall not apply in the case that the quasi-public sector entity, in which share owned by the state and/or the quasi-public sector entity as a founder and/or a member (shareholder) of the legal entity of the Republic of Kazakhstan is less than fifty percent, implements its activity within the framework of realization of the investment priority project on the extraction of coal bed methane;

3) the funds from the state budget are not involved in the implementation of the investment priority project as a source or guarantee of financing;

4) investment activities is implemented beyond the scope of the public-private partnership contract, including the contract of concession.

6. The period of application of investment preferences shall be established by this Code and other legislative acts of the Republic of Kazakhstan and shall be specified in the investment contract for each type of investment preferences.

7. Investment preferences shall be granted to the investor with the condition of producing documents specified in Article 292 of this Code to confirm the investor's compliance with the requirements.

The investment preferences shall be applied in accordance with this Code and other legislative acts of the Republic of Kazakhstan.

Footnote. Article 286 as amended by the Law dated April 28, 2016 # 506-V (entered into force after sixty calendar days after its first official publication).

Article 287. Exemption from customs duties

1. A legal person of the Republic of Kazakhstan implementing the investment project under an investment contract shall be exempted from customs duties on the import of technological equipment, accessories and spare parts, raw materials and/or materials in accordance with the legislation of the Customs Union and/or the legislation of the Republic of Kazakhstan.

Technological equipment refers to the goods intended for use in the technological process of the investment project.

Components refer to the components, collectively constituting the structural integrity of the process equipment and included in the relevant list of goods drawn up by the Commission of the Customs Union.

Raw materials and/or materials refer to any minerals, component, part or other product that is used to produce the finished product by the processing within the scope of the investment project with the condition of non-production of these raw materials and/or materials in the territory of the Republic of Kazakhstan.

2. Exemption from customs duties on the import of technological equipment and its components shall last for the duration of the investment contract, but no longer than for five years from the date of registration of the investment contract.

3. Exemption from customs duty on import of spare parts for technological equipment for the period of up to five years shall be granted to legal entities of the Republic of Kazakhstan depending on the volume of investments in fixed assets and with the condition of compliance of the investment project to the list of priority activities approved by the Government of the Republic of Kazakhstan.

Exemption from customs duty on import of raw materials and/or materials for the period of five years from the date of commissioning of fixed assets in accordance with the work program.

Exemption from customs duties shall be granted for the duration of the investment contract, but not exceeding five years from the date of commissioning of fixed assets in accordance with the work program.

The work program is an appendix to the investment contract; it defines the time schedule of works aimed at implementation of the investment project up to commissioning of the production facilities, as well as the key performance indicators of the project after putting the production facilities into operation.

In case the work program provides for the putting into operation of two or more fixed assets, the calculation of the period of exemption from customs duties on the import of spare parts for technological equipment, raw materials and/or materials shall be the date when the first fixed asset was put into operation in accordance with the work program.

5. Notification of the decision made in accordance with paragraph 2 of this Article shall be sent by the Authorized Body on Investment to the customs authority within five working days.

Article 288. State in-kind grants

1. State in-kind grants are the property owned by the Republic of Kazakhstan, transferred for temporary free use or provided under the right of temporary gratuitous land use to a legal entity of the Republic of Kazakhstan for the implementation of the investment project with subsequent gratuitous transfer into ownership or land use.

2. Public in-kind grants shall be provided in the manner prescribed by this Code, by the Authorized Body on Investment in coordination with the Authorized Body on state property management and/or the central competent authority for land management, as well as the local executive bodies for temporary free use or under the right of temporary gratuitous land use with subsequent gratuitous transfer into ownership or land use in the case of performance of investment obligations under the investment contract.

The basis for such gratuitous transfer of the state in-kind grant into ownership or land use is the decision of the Authorized Body on Investment to be made upon the expiry of the investment contract, in the case of performance by the investor of investment obligations under the investment contract concluded between the investor and the Authorized Body on Investment.

3. The state in-kind grants can be transferred in the form of: land plots, buildings, machinery and equipment, computing equipment, measuring and control devices and equipment, vehicles (except for passenger cars), industrial and household implements.

4. The state in-kind grants shall be assessed by their market value in accordance with the procedure established by the legislation of the Republic of Kazakhstan.
5. The maximum size of the state in-kind grant shall not exceed thirty percent of the total investment into the fixed assets of legal entity of the Republic of Kazakhstan. If the estimated value of the requested state in-kind grant exceeds the maximum size, then, the legal entity of the Republic of Kazakhstan has the right to receive the requested property with the condition of payment of difference between its estimated value and the maximum size of the state in-kind grant.

Article 289. Guarantees of stability in case of any change in legislation of the Republic of Kazakhstan

1. The stability shall be guaranteed to the legal entities implementing investment priority projects, as well as the legal entities implementing investment strategic projects specified in paragraphs 2 and 3 of Article 286 of this Code in case of any change in:
 - 1) the tax legislation of the Republic of Kazakhstan in accordance with the Code of the Republic of Kazakhstan “On taxes and other obligatory payments towards the state budget” (Tax Code);
 - 2) the legislation of the Republic of Kazakhstan regarding the employment and attracting the foreign labor force.
2. This guarantee of stability of the legislation of the Republic of Kazakhstan shall not apply in the case of early termination of the investment contract in accordance with the procedure specified by this Code.

Article 290. Tax preferences

1. The tax preferences shall be granted to legal entities of the Republic of Kazakhstan implementing the investment projects, including investment priority projects, as well as investment strategic projects, in accordance with the procedure and under the conditions provided for by the tax legislation of the Republic of Kazakhstan.
2. Types of tax preferences:
 - 1) for investment priority projects:
 - reduction in the amount of corporate income tax calculated on the activities carried out within the framework of strategic investment projects - 100 percent;
 - use of “0” co-efficient to the land tax rates;
 - calculation of property tax at the rate of 0 percent to the tax base.
 - 2) for the investment projects, except for the investment priority projects falling under the investment strategic projects - exemption from the value added tax on import of raw materials and/or materials within the framework of the investment contract;
 - 3) for investment strategic projects:
 - reduction in the amount of corporate income tax calculated on the activities carried out within the framework of strategic investment projects - 100 percent;
 - use of “0” co-efficient to the land tax rates;
 - calculation of property tax at the rate of 0 percent to the tax base.

3. Investment contract shall establish the period of validity of each type of tax preferences, but not exceeding the time limit of their application, as defined in accordance with the Code of the Republic of Kazakhstan “On taxes and other obligatory payments towards the state budget” (Tax Code).
4. The use of tax preferences shall be canceled in the event of early termination of the investment contract in accordance with the procedure prescribed by this Code.

Article 291. Investment subsidies

1. Investment subsidy refers to a form of fiscal subsidies granted as investment preferences on gratuitous and irrevocable basis to a legal entity of the Republic of Kazakhstan which has concluded an investment contract on implementation of priority investment project.
2. In order to promote the regional development, the investment subsidy shall be granted on the basis of decision of the Government of the Republic of Kazakhstan to an investor, implementing the investment priority project.
3. The investment subsidy shall be provided in the form of reimbursement of up to thirty percent of the actual costs of construction and installation works and purchase of equipment, excluding the value added tax and excise duties on the basis of supporting documents, but not exceeding the value of costs prescribed by the pre-project documentation that has passed through the state expertise and with regard to which the conclusion was issued in accordance with the procedure, established by the legislation of the Republic of Kazakhstan.
4. Documents confirming the actual costs of the investor shall be:
 - 1) primary accounting documents executed in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting;
 - 2) invoices, executed in accordance with the tax legislation of the Republic of Kazakhstan;
 - 3) customs declarations, executed in accordance with the customs legislation of the Republic of Kazakhstan.
5. The schedule and the amounts of annual payments of the investment subsidies shall be established within the framework of the investment contract through distribution of investment subsidies by equal portions throughout the period, depending on the volume of investment and profitability of the investment priority project, but at least for the period of three years after the putting the production facilities into operation and up to the termination of the investment contract.
6. The investment subsidies shall be paid the putting the production facilities into operation in full, as prescribed by the investment contract, with the condition of performance by the investor of his/her/their investment obligations.
7. Rules of granting the investment subsidy shall be approved by the Government of the Republic of Kazakhstan.

Article 292. Requirements to the application for granting the investment preferences

1. The application for granting the investment preferences shall be accepted and registered in the form established by the Authorized Body on Investment, upon the production of:

- 1) certificate of state registration (re-registration) of a legal entity;
- 2) copies of the charter of the legal entity, certified by signature of the head and seal of the legal entity (if available);
- 3) business plan of the investment project, drawn up in accordance with the requirements established by the Authorized Body on Investment;
- 4) copies of documents, list of which shall be established by the legislation of the Republic of Kazakhstan, justifying the estimated cost of construction and installation works and the cost of acquisition of the fixed assets, raw materials and/or materials to be used in the process of implementation of the investment project, certified by the signature of the head and seal of the legal entity (if available);
- 5) documents confirming the amount (value) of the state in-kind grant requested under the application by the legal entity of the Republic of Kazakhstan and the preliminary approval of its provision;
- 6) certificate of the authority for public revenues at the place of registration regarding the absence of any tax debts, debts on compulsory pension contributions, compulsory professional pension contributions and social contributions.

2. If the application for investment preferences provides for the granting of the investment subsidy for a period of implementation of the investment priority project, the investor shall submit the conclusion of expert examination of the pre-project and/or project documentation in accordance with the legislation of the Republic of Kazakhstan, certified by signature of the head, and the seal of the legal entity (if available).

Article 293. Terms of consideration of application for investment preferences

1. An application for investment preferences shall be submitted for consideration to the Authorized Body on Investment, which, in accordance with the requirements established by Articles 285 and 286 hereof, shall take a decision on granting the investment preferences and send the response to the applicant in writing within twenty working days from the date registration of the application.

2. The procedure for receipt, registration and consideration of application for the investment preferences shall be determined by the Authorized Body on Investment.

Article 294. Conclusion of the investment contract

1. Investment contract refers to the contract on implementation of the investment project, which provides for the implementation of investments and granting of the investment preferences.

2. The Authorized Body on Investment, within ten working days from the date of taking decision on granting the investment preferences, shall prepare an investment contract for signing taking into account the provisions of the model contract.

The model contract refers to the standard contract approved by the Government of the Republic of Kazakhstan and used in signing the investment contracts.

3. The investment contract shall be registered by the Authorized Body on Investment within five working days of the date of signature and shall enter into force on the date of its registration.

The date of conclusion of the investment contract is the date of its registration by the Authorized Body on Investment.

4. The term of the investment contract shall be determined by the period of validity of investment preferences. Term of completion of works under the work program shall expire no later than nine months before the expiry of the investment contract.

Article 295. Terms and conditions of termination of the investment contract

1. The validity of investment preferences shall be terminated upon expiration of term of the investment contract or may be terminated before the expiration of such term in the manner prescribed by this article.

2. The investment contract may be terminated before expiration its term by:

- 1) mutual agreement of the parties;
- 2) unilaterally.

3. In case of non-performance or improper performance by the investor of his/her/their obligations under the investment contract, the Authorized Body on Investment shall send to the investor a letter requiring to submit documents justifying the possibility of further implementation of the investment project, so as to make amendments to the investment contract.

If, within three months from the date of receipt of the letter, the investor does not submit the required documents, the Authorized Body on Investment shall send to the investor a notice of early termination of the investment contract unilaterally within two months from the date of notification.

In the event of termination of the investment contract, the specified legal person shall pay the amount of taxes and customs duties which were not paid towards the state budget as a result of investment preferences granted under the investment contract.

4. In case of early termination of the investment contract unilaterally, on the initiative of the legal entity of the Republic of Kazakhstan, which concluded the investment contract, said legal person shall pay the amount of taxes and customs duties which were not paid as a result of investment preferences granted under the investment contract.

5. In case of early termination of the investment contract by mutual agreement of parties the legal entity of the Republic of Kazakhstan, which concluded the investment contract, shall pay the amount of taxes and customs duties not paid as a result of investment preferences granted under the investment contract.

6. In case of early termination of the investment contract, the legal entity of the Republic of Kazakhstan, which concluded the investment contract, shall return the in-kind property granted as the state in-kind grant or its original value as of the date of transfer in accordance with the terms and conditions of the investment contract.

7. The legal entity of the Republic of Kazakhstan, which concluded the investment contract shall return the state in-kind grant within thirty calendar days after the

decision of the Authorized Body on Investment regarding early termination of the investment contract.

Article 296. Settlement of Investment Disputes

1. Investment dispute refers to a dispute arising out of contractual obligations between the investors, including major investors and the state authorities in connection with an investor's investment activities.
2. Investment disputes shall be resolved through negotiations or in accordance with the procedure of dispute resolution previously agreed by the parties.
3. In case that the investment dispute cannot be resolved in accordance with the provisions of paragraph 2 of this Article, the dispute shall be referred for the resolution in accordance with the international agreements and legal acts of the Republic of Kazakhstan in the courts of the Republic of Kazakhstan, as well as in arbitration courts mutually agreed by the parties.
4. Disputes not related to the investments shall be resolved in accordance with the legislation of the Republic of Kazakhstan.