

**Law of the Republic of Kazakhstan No. 223-II "On  
Amendments and Addenda to Legal Normative  
Acts of the Republic of Kazakhstan On 'Astana –  
New City' Special Economic Zone" of 5 July 2001  
(with amendments and addenda by the Law of RK  
No. 312-II of 21.03.02)**

See previous versions

*Article 1 has been amended in accordance with the Law of RK No.312-II of 05.03.02 (see previous version)*

**Article 1.** Make amendments and addenda to the following legal acts of the Republic of Kazakhstan:

1) to the Law of the Republic of Kazakhstan "On Taxes and Other Compulsory Payments to the Budget" (the Tax Code) of 24 April 1995 (Newsletter of the Supreme Court of the Republic of Kazakhstan, 1995, N 6, p. 43; N 12, p. 88; N 23, p. 152; Newsletter of the Parliament of the Republic of Kazakhstan, 1996, N 1, p. 180, 181; N 11-12, p. 257; N 15, p.281; N 23-24, p.416; 1997, N 4, p. 51; N 7, p. 82; N 10, p. 112; N 11, p. 144; N 12, p. 184, 188; N 13-14, p. 195, 205; N 20, p. 263; N 22, p. 333; 1998, N 4, p. 45; N 14, p. 197, 201, 202; N 23, p. 425; N 24, p. 436, 442, 445; 1999, N 6, p. 192, 193; N 20, p. 731; N 21, p. 786; N 23, p. 928; N 24, p. 1067; 2000, N 3-4, p. 65, 66; N 10, p. 234; 2001, N 3, p. 16; the Law of the Republic of Kazakhstan "On Amendments and Addenda to the Law of the Republic of Kazakhstan "On Taxes and Other Compulsory Payments to the Budget" as of 3 May 2001 published in newspapers "Yegemen Kazakhstan" on 5 May 2001 and "Kazakhstanskaya pravda" on 9 May 2001; the Law of the Republic of Kazakhstan "On Amendments and Addenda to Legal Acts of the Republic of Kazakhstan On Education" as of 11 June 2001 published in newspapers "Yegemen Kazakhstan" on 15 June 2001 and "Kazakhstanskaya pravda" on 13 June 2001):

add subparagraph (28) to paragraph 1 of article 57 as follows:

"28) the proceeds from products (goods and services), sold in the territory of "Astana – New City" SEZ and completely consumed in the process of construction and commissioning of infrastructure utilities, administrative and residential complex buildings according to the design estimates documents. If the taxpayer has other proceeds besides the ones specified above, then such a taxpayer shall keep separate accounting for the said types of proceeds.

The privileges hereunder are provided to the following taxpayers registered in the territory of "Astana – New City" special economic zone:

- legal entities;
- persons who make business without establishing a legal entity;
- non-residents who act by means of a permanent establishment.

Taxpayers have the right not to use the privilege granted hereunder. to do so they have to submit an application to the tax body in the territory of "Astana – New City" special economic zone, confirming the applicant's wish not to be exempted from the value added tax.

The taxpayers specified herein shall submit the following information to the tax body in the territory of "Astana – New City" special economic zone before 15 March 2002:

- on remaining goods and materials on the territory of "Astana – New City" special economic zone, which had not been consumed by 1 January 2002;
- on the cost of incomplete construction, including the cost of goods and materials, supplied works and services for every building under construction in the territory of "Astana – New City" special economic zone by 1 January 2002.

The data specified hereunder shall be submitted in accordance with the procedure and in the form established by the Ministry of State Revenues of the Republic of Kazakhstan and approved by the Ministry of Finance of the Republic of Kazakhstan.";

Add paragraph 2-1 to Article 58 as follows:

"2-1. The documents specified in paragraph 2 of Article 60-1 herein shall be used as a proof of export of goods under free customs zone treatment into the territory of "Astana – New City" special economic zone.";

add Article 60-1 as follows:

"Article 60-1. Taxation of goods sold in the territory of "Astana – New City" special economic zone

1. The proceeds from goods and equipment sold in the territory of "Astana – New City" SEZ and completely consumed in the process of construction and commissioning of infrastructure utilities, administrative and residential housing in accordance with the design estimates documents, are subject to the value added tax (VAT) at zero rate.

For the purpose of this Law the goods are defined as products directly involved in the process of construction of buildings, utilities and infrastructure objects. Electric power, gas, diesel fuel, and water do not fall under the category of goods completely consumed in the process of construction.

1-1. The amount of offset tax exceeding the amount of tax calculated on the proceeds specified in paragraph 1 of this articles for the accounting period shall be returned to the taxpayer upon his or hers application within the established period of time after obtaining the confirmation from the tax body in the territory of "Astana – New City" special economic zone, covering the imported goods and equipment, which have been actually consumed in construction. The confirmation shall be based on a document about the consumption of the imported goods and equipment in construction; the executive body established in the special economic zone shall issue such a document upon the request of the tax body in the territory of "Astana – New City" special economic zone.

2. The following documents are required for the application to the zero rate VAT taxation hereunder:

- 1) agreement (contract) for the supply of goods, made with taxpayers specified in subparagraph (28) of paragraph 1 of article 57 herein and who are involved in construction of infrastructure utilities, administrative, and residential buildings within the special economic zone;

- 2) a copy of cargo customs declaration executed by the customs body that allowed importing the goods into the customs zone in accordance with the free customs treatment regulations;
  - 3) waybills, confirming the shipping of goods to taxpayers specified in subparagraph (28) of paragraph 1 of article 57 herein;
  - 4) copies of documents confirming the receipt of goods by taxpayers specified in subparagraph (28) of paragraph 1 of article 57 herein.";
- add subparagraph (5) to paragraph 2 of article 123 as follows:

"5) The land-tax is not applicable to the areas situated within "Astana – New City" special economic zone with infrastructure facilities, administrative or residential housing, which have been built there or are under construction during the existing of the said economic zone.";

add part two to article 132 as follows:

"The real property tax is not applicable to the residual value of buildings and utilities built within "Astana – New City" special economic zone during the period of its functioning by legal entities and persons who make business without establishing a legal entity.";

2) to the **Law** of the Republic of Kazakhstan as of 20 July 1995 "On Customs in the Republic of Kazakhstan" (Newsletter of the Supreme Court of the Republic of Kazakhstan", 1995, N 13; N 23, p. 152; Newsletter of the Parliament of the Republic of Kazakhstan, 1996, N 1, p. 180; N 18, p. 367; 1997, N 11, p.144; N 12, p. 189; N 22, p. 333; 1998, N 4, p. 46; N 24, p. 436; 1999, N 20, p. 717; 2000, N 3-4, p. 66; N 6, p. 142; N 10, p. 244; N 18, p. 338):

add part two to article 71 as follows:

"The free customs zone customs treatment in the territory of "Astana – New City" special economic zone is the customs regulations stipulated in part one herein, except for the excise duties for imported goods, which are stored and used in the territory of the special economic zone and which are subject to excise in accordance with the procedure established by the tax laws of the Republic of Kazakhstan.";

add words "until otherwise is set hereunder." to part three of article 73-1 and part two of article 79;

add article 82-1 as follows:

"Article 82-1. Some Features of the Customs Regulation in the Territory of "Astana – New City" Special Economic Zone

In the territory of "Astana – New City" special economic zone the free customs zone customs treatment can be applied to the following under the conditions stipulated in part two of article 71 herein:

- machines and equipment for construction;
- goods completely consumed in construction in the territory of the special economic zone;
- goods and equipment necessary for the construction and commissioning of objects in accordance with the design-estimate documentation.

When the person/entity exports local goods, which have been previously placed under free customs zone customs treatment, from "Astana – New City" special economic zone territory to the other part of the customs zone of the Republic of

Kazakhstan, such person/entity shall return the sums received as payments or as the result of other privileges obtained when importing the goods.";

3) to Presidential Decree #2823 as of 26 January 1996 "On Special Economic Zones in the Republic of Kazakhstan" (Newsletter of the Parliament of the Republic of Kazakhstan, 1996, N 1, p. 179; N 14, p. 274; 1998, N 24, p. 443; 1999, N 6, p.191):

change the heading as follows:

"The Law of the Republic of Kazakhstan On Special Economic Zone in the Republic of Kazakhstan";

exclude the preamble;

replace word "Decree" with "Law" in the entire text except for articles 5 and 16;

replace words "Presidential Decree" with "the Law of the Republic of Kazakhstan";

change article 1 as follows:

**"Article 1.** The Scope of the Law

This Law defines the general legal fundamentals for the creation, functioning and liquidation of special economic zones in the territory of the Republic of Kazakhstan.";

replace words "to which Kazakhstan is a party" with "ratified by the Republic of Kazakhstan" in paragraph 2 of article 4;

change article 7 as follows:

**"Article 7.** Special Economic Zone Administration

The special economic zone administration shall be entrusted to the local executive body of the administrative-territorial unit, in whose territory the special economic zone has been established.";

exclude articles 8, 9 and paragraph 2 of article 11;

in article 12:

exclude part two;

remove word "specified" in part three;

exclude article 13;

exclude paragraph 2 of article 15;

4) to the **Law** of the Republic of Kazakhstan as of 12 June 2001 "On Introduction of the Code of the Republic of Kazakhstan "On Taxes and Other Compulsory Payments to the Budget" (the Tax Code), published in newspapers "Yegemen Kazakhstan" and "Kazakhstanskaya pravda" on 20 June 2001:

add the following paragraph to paragraph 1 of article 2:

"subparagraph (28) of paragraph 1 of article 57, paragraph 2-1 of article 58, article 60-1, subparagraph (5) of paragraph 2 of article 123 and part two of article 132, valid within the period of functioning of "Astana – New City" special economic zone but not exceeding five years."

**Article 2. Subparagraphs (1) and (2)** of article 1 herein shall be valid within the period of functioning of "Astana – New City" special economic zone but not exceeding five years.

**Article 3.** This Law becomes effective in the day of its **official publication**.

President

of the Republic of Kazakhstan      N. Nazarbayev