

Special Economic Zones in the Republic of Kazakhstan

“National Export & Investment agency “Kaznex Invest” JSC

Ministry of Industry and New Technologies of the Republic of Kazakhstan

Special economic zones in Republic of Kazakhstan

1. **SEZ «Astana-new city»** - mixed (aviation, chemical, light industry, automobile manufacturing).
2. **SEZ «Sea port Aktau»** - mixed (light industry, chemical industry, metallurgy industry).
3. **SEZ «Innovation technology Park»** - instrumentation
4. **SEZ «Ontustik»** - light and textile industries
5. **SEZ «National industrial petrochemical Park»** - petrochemical industry.
6. **SEZ «Burabay»** - tourism.
7. **SEZ «Khorgos-Eastern Gate»** - logistics.
8. **SEZ «Saryarka»** - metallurgy and metal working.
9. **SEZ «Pavlodar»** - chemical and petrochemical industries.
10. **SEZ «Chemical Park Taraz»** - chemical industry



Special **Silicon Metal** economic zones in Kazakhstan

«Special economic zone» – it is strictly delimited area of the Republic of Kazakhstan with special legal regulation of special economic zone to implement activities of highest priority.

(The Law «About special economic zones»)

Legislative acts regulating SEZ activity

In Kazakhstan SEZ is regulated by the following legislative acts:

- Tax Code - with regard to taxation;
- The Law «About special economic zones» - the main Law regulating SEZ activity;
- Agreement on free (special, specific) economic zones within the customs territory of the Customs Union and a «free customs zone» procedure - with regard to custom regulation within SEZ.

Government bodies regulating **PUBLIC Attachment 88** SEZ activity

Ministry of Industry and New Technologies

- the main authorized body in development and regulation of SEZ in accordance with the Law «About special economic zones»

Managing company

- the Managing company is established to operate SEZ

Tax Agency at SEZ area

- Department of the Tax Committee of the Ministry of Finance is involved in tax regulation within SEZ.

The Custom union at SEZ area

- Department of the Committee for Custom Control of the Ministry of Finance is involved in custom regulation within SEZ

Benefits within SEZ

Benefits within SEZ are provided with the Tax Code and the Law «About SEZ»

Tax benefits

The following benefits are stipulated for SEZ members:

- 0% rate for corporate income tax;
- 0% rate for land tax;
- 0% rate for property tax ;
- During the realization of customer goods within SEZ suffers with zero-rate VAT. However these goods must meet all requirements of SEZ creation purposes according to the list of goods defined by the Government of the Republic of Kazakhstan.

SEZ management

All SEZ are managed by the Managing company. The Managing company can be founded by private legal entities including foreign ones.

Thus private investors (as well as foreign) are willing to participate in SEZ activity can appear as founders of the Managing company. They have an opportunity to take part in the decision making process that will affect their activity.

Functions of the Managing company

- 1) interaction with the Government bodies regarding functioning of special economic zones;
- 2) under-lease of land plots and let out for lease (under-lease) infrastructure facilities to persons implementing additional activity;
- 3) signing and cancellation of treaties about implementation of activity;
- 4) reporting to the authorized body regarding the results of SEZ activity in accordance with annual reports of SEZ members;
- 5) attraction of members of special economic zone;
- 6) attracting investments to the construction of infrastructure facilities and implementation of other SEZ activities;
- 7) construction of infrastructure facilities in accordance with the approved Feasibility Study at land plots not given to SEZ members;
- 8) development of one stop-shop;
- 9) confirmation of actual demand of imported goods meeting the purpose of SEZ development;
- 10) monitoring of the fulfilment of implementation contracts.

The Managing company renders services to SEZ members through one stop-shop principle i.e minimization of applicants during collection and preparation of various documents and limitation of liaison with officials

Activities implemented within SEZ?

The Law points out priority and additional activity within SEZ area.

Priority activity - main activity that conforms goals on SEZ development.

Companies implementing these activities are the members of SEZ.

In turn, additional activity is necessary to secure activity of SEZ members and implemented at its area by companies which are not members of SEZ

SEZ members

The Law determines that applicant who submits application for the implementation of priority activity should have money funds and property to realize his Project.

The Law also identifies that activity implemented by the applicant should correspond to goals and types of activity implemented within SEZ

Who cannot be a member of SEZ

- 1) users of mineral resources;
- 2) companies producing excisable goods;
- 3) companies applying special tax regimes;
- 4) companies used investment tax preferences;
- 5) companies are working in gambling industry

Special economic zone «Astana-New city» Silicon Metal was founded in 2001 for the period until 2027

Sectorial focus:

construction, mechanical engineering and light industry

Priority activities:

- Production of chemicals;
 - Production of rubber articles and plastic;
 - Production of non-metallic mineral products;
 - Production of household electric appliance;
 - Production of machinery and equipment;
 - Metal industry;
 - Production of electric equipment including electric lightning equipment;
 - Production of glass parts for illumination tools;
 - Production of foodstuff;
 - Production of ground wood and cellulose, paper, and carton;
 - Production of furniture;
 - Production of motor vehicles, trailers, two-wheel trailers;
 - Production of railway locomotives and railway equipment;
 - Production of aircrafts spacecrafts;
 - Production of pharmaceuticals;
 - Production of electronic parts;
 - (not exempted from CIT) construction and operation of infrastructure facilities, hospitals, clinics, schools, kindergartens, museums, theatres, high and additional schools, libraries, sport complexes, administrative complexes and communities in accordance with design and estimate documentation.
- **Total area** - 7562,3 ha
 - **Free territory** – 47.3 ha

Special economic zone “Sea Port Aktau” PUBLIC Attachment 88 was founded in 2002 for the period until 2028

Sectorial focus:

metalworking, instrumentation;

Priority activities :

- production of chemicals;
 - production of rubber articles and plastic;
 - production of non-metallic mineral products;
 - metallurgy industry;
 - production of metal work;
 - production of machinery and equipment;
 - production of petrochemicals as well as production of related and adjacent production and technologies;
 - warehousing and transport;
 - production of household electric appliance;
 - production of leather goods
 - production of basic pharmaceutical products and pharmaceutical preparations.
- **Total area** - 2000 ha
 - **Free territory** – 166 ha

Silicon Metal
Special economic zone «Innovation technology Park»
was founded in 2003 for the period until 2028

Sectorial focus :

IT – innovations, instrumentation

Priority activities :

- design, development, introduction, test production and production of software, databases and hardware;
 - development of new information technologies based on artificial immune and neuron systems;
 - research works development works on creation and introduction of IT projects;
 - production of machinery for word processing, printing-down equipment, addressing machines, calculators, cash-register machines, frankers, ticket machinery, production of other office machinery and equipment, computers and other equipment for data processing;
 - production of electrical and radio articles, transmitting equipment, mechanical facilities for receipt, record of information, audio playback and video;
 - production of household electric appliance;
 - educational activity in information and innovative technologies.
 - business incubation of projects
-
- **Total area**– 163 ha
 - **Free territory** – 12.48 ha

PUBLIC Attachment 88
Special economic zone «Ontustik»
was founded in 2005 for the period until 2030

Sectorial focus :

light and textile industries

Priority activities :

- production of ready textile products, except clothes;
 - production of knitwear;
 - production of clothes from textile;
 - production of silk fabric and silks;
 - production of nonwoven textile;
 - production of carpets and tapestry;
 - production of cotton cellulose and its derivative;
 - production of high quality paper from cotton raw material;
 - production of leather goods
-
- **Total area**– 200 ha
 - **Free territory** - 78 ha

**Special economic zone «National industrial
petrochemical Park»
was founded in 2007 for the period until 2032**

Sectorial focus :

petrochemical industry

Priority activities :

- production of chemicals;
- production of petrochemicals as well as production of related and adjacent production and technologies
- construction and commissioning of the infrastructure, petrochemical, chemical and allied industries in accordance with the project estimates

- **Total area**– 3476 ha
- **Free territory** – 250 ha

**Special economic zone «National industrial
tourism»
was founded in 2008 for the period until 2017**

Sectorial focus :

tourism

Priority activities :

- construction and operation of hotels, sanatoriums in accordance with design and estimate documentation not related to gambling industry;
- tourist services

- **Total area**– 370 ha
- **Free territory** – 69 ha

Silicon Metal
Special economic zone «Saryarka»
was founded in 2011 for the period until 2036

Sectorial focus :

metallurgy and metal working

Priority activities :

- manufacture of metallurgical industry;
 - manufacture of finished metal products, machinery and equipments, vehicles, truck and two wheeled trailers, computers, electrical and optical products, electrical equipment;
 - manufacture of chemical industry, rubber and plastics articles;
 - manufacture of building materials and non metal mineral production.
-
- **Total area** – 535 ha
 - **Free territory** – 45 ha

PUBLIC Attachment 88
Special economic zone «Favonar»
was founded in 2011 for the period until 2036

Sectorial focus :

chemical and petrochemical industries

Priority activities :

- manufacture of chemicals production;
 - manufacture of petrochemical production and accompanying adjacent manufactures and technologies production.
-
- **Total area** - 3300 ha
 - **Free territory** – 913.2ha

**Silicon Metal
Special economic zone «Khorgos-Eastern Gate»
was founded in 2011 for the period until 2035**

Sectorial focus :

logistics

Priority activities :

- Warehousing and support activities for transportation;
 - Food production;
 - Manufacture of leather and related products;
 - Manufacture of textiles;
 - Production of other non-metallic mineral products;
 - Production of chemical products;
 - Production of metal products, except machinery and equipment;
 - Manufacture of machinery and equipment not elsewhere classified;
 - Construction in accordance with the design and estimate documentation of buildings for exhibitions, museums, warehouses and office buildings.
- **Total area** - 5740 ha
 - **Free territory** – 4438 ha

**PUBLIC Attachment 88
Special economic zone «Chemical Park Taraz»
was founded in 2012 for the period until 2037**

Sectorial focus :

chemical industry

Priority activities :

- Production of chemical products;
 - Manufacture of rubber and plastic products;
 - Manufacture of other non-metallic mineral products;
 - Production of machines and equipment for chemical industry;
 - construction in accordance with the design and estimate documentation and commissioning by an act of acceptance of state acceptance commission industrial facilities designed specifically for the production of chemicals and chemical products, rubber and plastic products, as well as other non-metallic mineral products, machinery and equipment for chemical productions.
- **Total area** - 505 ha
 - **Free territory** – 473 ha