



Doing Business in Kazakhstan – Legal Perspectives

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About GRATA International (gratanet.com)

- Established in 04/1992 (27 years);
- > 250 lawyers with narrow specialization in 19 countries;
- Offices in Azerbaijan, Belarus, Georgia, Kazakhstan (Aktau, Almaty, Atyrau, Nur-Sultan and representatives in all other regions), Kyrgyzstan, Moldova, Mongolia, Poland, Russia (Moscow, St. Petersburg, Rostov-on-Don, Samara), Switzerland, Tajikistan, Ukraine and Uzbekistan. Representatives in the UK, the US (New York), China, Latvia, Russia (Kazan, Novosibirsk), Turkmenistan and Turkey;
- Ranks in The Legal 500, Asialaw Profiles, Chambers AsiaPacific, Chambers Global, IFLR1000, Who's Who Legal;
- Malaysian clients of GRATA (Kazakhstan/Uzbekistan) include: S5 Systems Sdn Bhd, Agathis Capital LP, Industrial and Commercial Bank of China (Malaysia) Berhad, Percetakan Nasional Malaysia Berhad, Applus Velosi Sdn Bhd, SpeedCast Malaysia Sdn Bhd, Zaid Ibrahim, & Co, KNM Process Systems Sdn Bhd.

Kazakhstan – “Doing Business” rating (World Bank)

In 2019 out of 190 countries Kazakhstan took the 28th position* (+8 compared with DB 2018), based on the following 10 indicators:

- 1) “Protecting minority investors» (1st; +0);
- 2) “Enforcing contracts» (4th; +2);
- 3) “Registering property” (18th; -1);
- 4) “Dealing with construction permits” (35th; +17);
- 5) “Starting a business” (36th) (+5);
- 6) “Resolving insolvency” (37th; +2);
- 7) “Paying taxes” (56th; - 6)**;
- 8) “Getting credit” (60th; +17);
- 9) “Getting electricity (76th; - 6); and
- 10) “Trading across borders” (102th; +21).

** DB -
Paying
taxes in:
Kazakhstan
- 29,4%;
Malaysia –
39,2%;
Uzbekistan
– 48,17%;
China
(64,9%).

* Malaysia’s
overall rank
for 2019 is 15
(+9),
indicators
being from 6
to 25.

Western region, Almaty and Nur-Sultan (f/k/a Astana) as most attractive places for business



Average monthly salary in Kazakhstan - \$416, in Russia - \$548, in China - \$701

Kazakhstan-Malaysia bilateral trade

- In 2018, Kazakhstan-Malaysia bilateral trade made \$477,8 million, including \$351,7 (+338,5) million exports to Malaysia and 126,1 (+15,9) million imports from Malaysia.
- Malaysia's position among Kazakhstan's trade partners was the 28th (in 2017 – the 44th) with 0,5% (in 2017 – 0,16%).
- Exports to Malaysia being on the 29th place with 0,58% (in 2017 – the 56th place with 0,03%)
 - a) Crude oil (99,9%) – \$351,3 million;
 - b) Industrial goods (0,1%) - \$347,4 thousand;
 - c) Agricultural goods (0,0%) - \$18,9 thousand.

Imports (1/2)

Imports from Malaysia being on the 28th place with 0,37% (in 2017 – the 32nd place with 0,37%).

No.	Name of position (code of Eurasian Economic Union's Commodity Nomenclature of Foreign Economic Activity (CN FEA))	2017, \$ millions	2018, \$ millions	Share for 2018	Growth 2018/2017
-	Overall	110,2	126,1	100%	+14,4%
1	Palm oil (1511)	19	28,6	22,7%	+50,9%
2	Extracts, essences, coffee, tea, mate concentrates, coffee substitutes (2101)	10,3	14,0	11,1%	+36,0%
3	Telephone sets (8517)	14,7	12,4	9,9%	-15,4%
4	Household and other electric heaters, electric stoves (8516)	5,9	7,9	6,3%	+33,7%
5	Animal and vegetable fats and edible oils (1516)	4,3	6,8	5,4%	+57%
6	Clothes and accessories made of rubber (4015)	5,5	5,8	4,6%	+5,5%
7	Soil sorting and grinding equipment (8474)	1,1	5,2	4,1%	Increase by 4,7 times
8	Industrial furnaces and ovens (8417)	0,0	3,7	3,0%	new
9	Other furniture and parts thereof (9403)	3,1	3,6	2,9%	+17,2%
10	Fittings for pipelines (8481)	0,163	3,3	2,6%	Increase by 20,2 times

Imports (2/2)

No.	Name of position (CN FEA code)	2017, \$ millions	2018, \$ millions	Share for 2018	Growth 2018/2017
11	Coconut oil (1513)	1,7	2,8	2,2%	+64,0%
12	Furniture for seating and its parts (9401)	2,9	2,8	2,2%	-4,2%
13	Plates, sheets, plastic film non-porous, unreinforced, non-layered, without backing (3920)	0,088	2,0	1,6%	Increase by 22,3 times
14	Instruments and devices used in medicine (9018)	2,0	1,7	1,4%	-13,2%
15	Electric machines and special equipment (8543)	2,7	1,7	1,3%	-39,5%
16	Electronic integrated circuits (8542)	0,739	1,3	1,1%	+80,4%
17	Other cast articles of iron (7325)	0,059	1,2	1,0%	Increase by 20,9 times
18	Printing equipment (8443)	0,837	1,2	0,9%	+38,9%
19	Spark ignition internal combustion engines (8407)	0,797	1,1	0,8%	+32,5%
20	Navigation instruments and tools (9014)	0,721	0,976	0,8%	+25,3%

Work Permits

No visas for Malaysian citizens during 30 calendar days after crossing the state border

For medium/large business local content requirements for staff apply

No works permits are required for:

- first heads of branches/representative offices of foreign companies;
- first head and its deputy of an LLP wholly owned by a non-resident entity.
- employees being in a business trip ≤ 120 дней in total during a year.

Fees for issuance/extension of work permit(s) are from \$887 to \$3,320, depending on the term (1, 2 or 3 years), position and employment sphere (free of charge within the framework of intra corporate transfer).

How to set up an LLP by a Malaysian company

1. Legalization of:
 - (i) a certificate on incorporation of the parent company;
 - (ii) copy of the first head's passport;
 - (iii) the decision to set up an LLP (or a foundation agreement if ≥ 2 participants);
 - (iv) PoA for an individual that will register the LLP.
2. Notarized translation of documents into Kazakh and Russian is made in Kazakhstan.
3. Obtaining individual identification number for the general director at Kazakh tax authorities (5 business days);
4. Preparation of LLP's charter in English, Kazakh and Russian.
5. Conclusion of a rent agreement for an LLP's office.

After all documents have been collected, it takes 3-5 business days to register the LLP with assignment of a relevant business identification number (BIN).

State fee for the registration and the minimum amount of the LLP's charter capital are nominal.



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Questions?

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