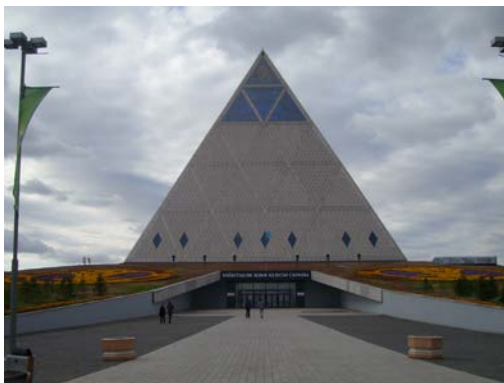


Establishing your own business in Kazakhstan³

- ✓ Pay registration fee into the account of the Ministry of Justice.
- ✓ State registration of legal entity and tax registration at the Public Registration Center.
- ✓ Make a company seal.
- ✓ Notarize certificate of state registration and other post-registration documents (multiple copies are needed in order to obtain permits for certain activities such as expatriate employment work permits).
- ✓ Open the current account in the bank.
- ✓ Register for the obligatory insurance of life and health for employees.

List of documents required from a Foreign Legal Entity³

- ✓ Copies of legal identification and document confirming payment of state registration fee.
- ✓ Certificate of state registration of the company and power of attorney.
- ✓ A copy of the corporate charter or other document confirming activity of the legal entity operating on the basis of a standard charter.
- ✓ Cards with sample signatures and an imprint of the company seal.
- ✓ Obtain a Kazakhstani tax identification number.



Palace of Peace and Reconciliation, Astana

Conclusion

The oil and gas industry provides the country with stability as it continuously raises Kazakhstan's economic value just as the rising tide lifts all boats. As the country aims to be among the top 30 economies in the world by 2050 by improving its institutions and modernizing its infrastructure, firms choosing to invest now will likely benefit as Kazakhstan develops into a true market economy with a diverse set of architectural and design needs.

The upcoming event, EXPO 2017 (Future Energy) Astana Kazakhstan, further demonstrates the varied and increased potential for architecture and design work in Kazakhstan – the organizers accepted designs for the exhibition complex from 50 firms from around the world and a final winner was chosen with initial construction expected in the second quarter of 2014. As the country gains momentum, its long-term outlook in all of its industries are positive.

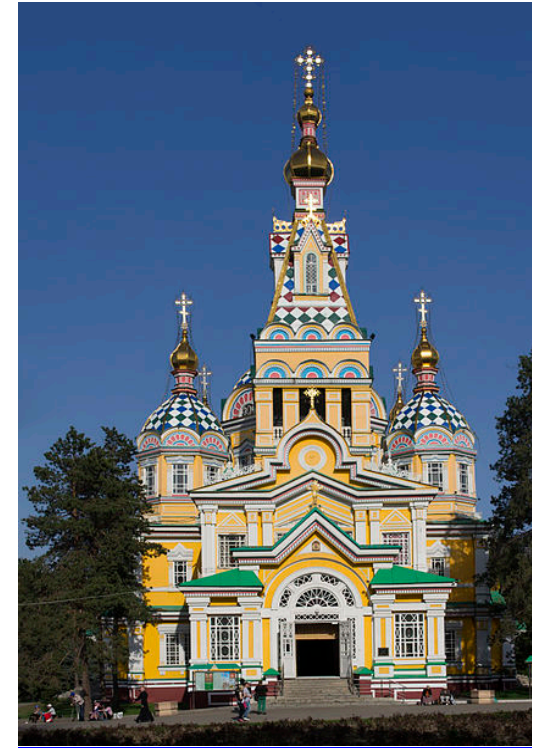
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Zelmov Cathedral, Almaty

ARCHITECTURE & BUSINESS IN KAZAKHSTAN



U.S. Department of Commerce



Presidential Palace and city center, Astana

Why Kazakhstan?

Over the last decade, strong economic expansion fueled by the oil and gas sector has contributed to Kazakhstan becoming the leading market in Central Asia. A growing middle class and the government's active pursuit of investment in the non-oil industry with business-enabling reforms provides ample opportunity to architecture and design firms with proficiency in public-works, industrial, commercial, and residential projects. The government is developing international partnerships and has agreed to projects with China and Germany worth billions of dollars. In addition, the "People's IPO" is just beginning so that many SOEs are being privatized.^{1, 2, 5}

Kazakhstan's Global Competitiveness score has achieved double digit improvement in just the past few years and ranks 50 out of 148 countries.³

Market Entry

Firms should expect to invest in a long-term strategy, as the country prepares to enter its final development phase. Initially partnering with a local firm can be very helpful, as the US firms with experience in emerging markets and former Soviet republics will have an edge in this market.²

Regulations²:

Banking: Banking in Kazakhstan is generally fairly uncomplicated as foreign and Kazakhstani investors must be treated equally, by law. Kazakhstani bank margins and collateral requirements are typically onerous so foreign investors often find it cheaper to borrow from their home country.

Accounting and Repatriation: Money transfers associated with foreign investments are unrestricted and foreign investors may convert and repatriate earnings. There is also a treaty that allows US investors to avoid double taxation. IFRS is the typical accounting standard used.

Corporate Income Tax: Comprehensive tax laws can sometimes be cumbersome as local tax authorities interpret codes differently than the central government. The corporate income tax rate is 20% and the VAT on goods and services is 12%. Employers operating within Kazakhstan must also pay an 11% social tax. Frequent harassment by local and national "financial police" undermine some of the stability the tax code was designed to introduce.

Strategic Alliances: Kazakhstani Center for Engineering and Technology transfer is actively involved in organizing strategic partnerships with foreign companies investing in Kazakhstan. If a project helps develop the high-tech industry, it is eligible for property and land tax exemptions. Some business is still based on family ties and personal connections, which makes finding reliable, credit-worthy partners a cautious process requiring due diligence and verification of bona fides.

Leading local Accounting companies:

1. Deloitte, 2. EY, 3. KPMG, 4. PwC

Leading Law Firms:

1. Aequitas, 2. Baker & McKenzie, 3. Dechert, 4. Michael Wilson & Partners, 5. White & Case

Real Estate:

Secured interests in the property are recognized under the Civil Code and the 2003 Land Code. All property and lease rights for real estate must be registered with the Ministry of Justice through its service centers distributed throughout the country.²

Globally, Kazakhstan stands at 18 in the ranking of 189 economies on the ease of registering property.³

HR and Employment Laws:

Kazakhstan has ratified 19 International Labor Organization conventions, including those pertaining to minimum employment age, forced labor, collective bargaining, and safety and health in construction. The minimum wage is \$117.90/month.^{2, 3}

Labor regulations are relatively flexible – the non-salary cost of employing a worker is moderate and dismissing an employee is not costly. There are few restrictions on employment activity other than local content requirements. There is also a quota system for foreign employees, which adds difficulty to obtaining foreign work permits.^{2, 4}

Regulations require a minimum of 1% of a project budget to be earmarked for training programs and workforce development.²



Almaty City Center, Almaty