

A World Bank Group Flagship Report

16TH EDITION

# DOING BUSINESS 2019

## Training for Reform

### Economy Profile Kazakhstan



Comparing Business Regulation  
for Domestic Firms in **190** Economies

## Economy Profile of Kazakhstan

*Doing Business 2019 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of labor market regulation. Although *Doing Business* does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

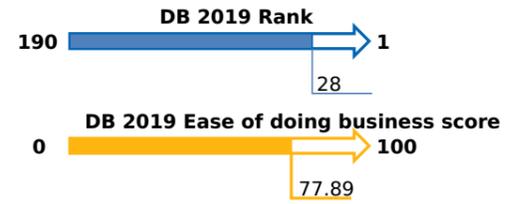
The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

More about [Doing Business](#) (PDF, 5MB)

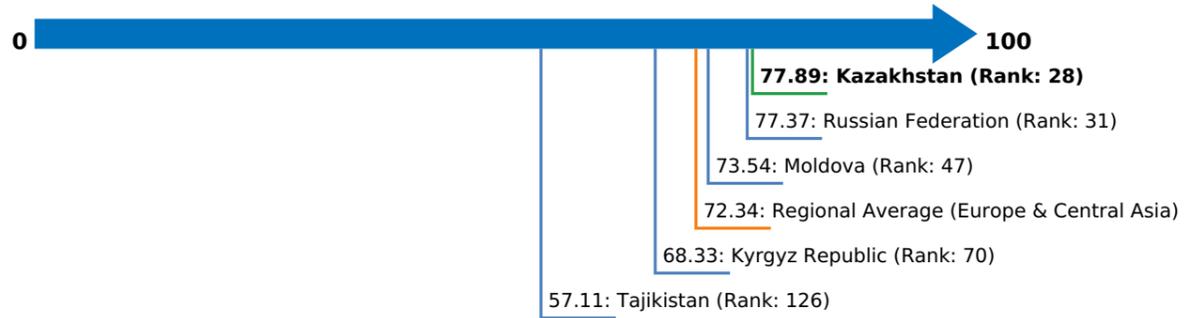
Ease of Doing Business in Kazakhstan



Region	Europe & Central Asia
Income Category	Upper middle income
Population	18,037,646
City Covered	Almaty

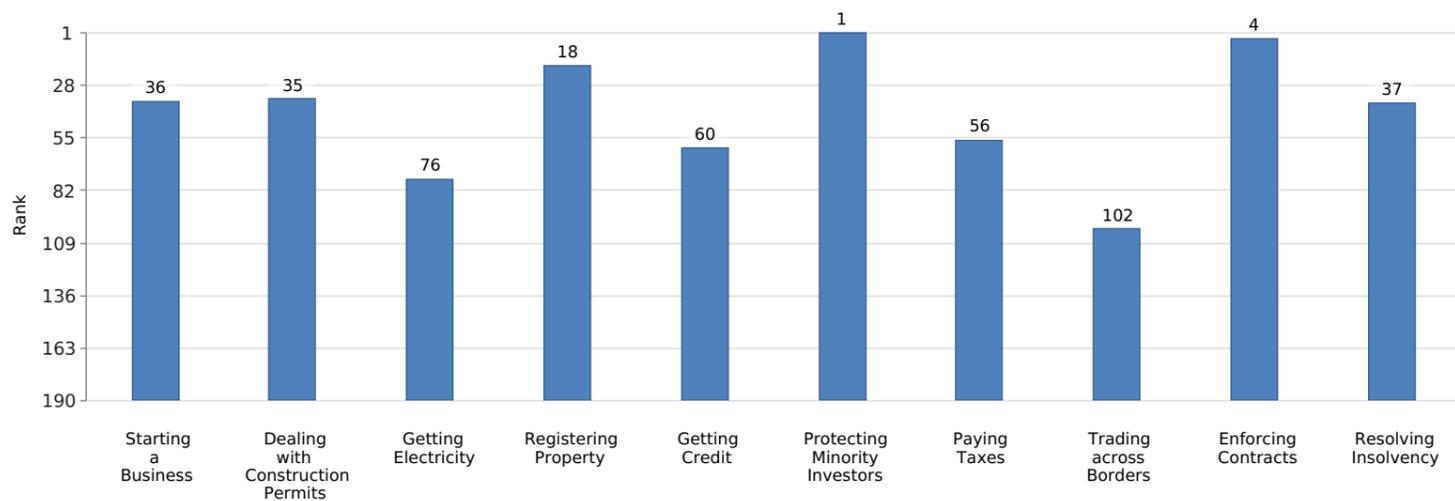


DB 2019 Ease of Doing Business Score

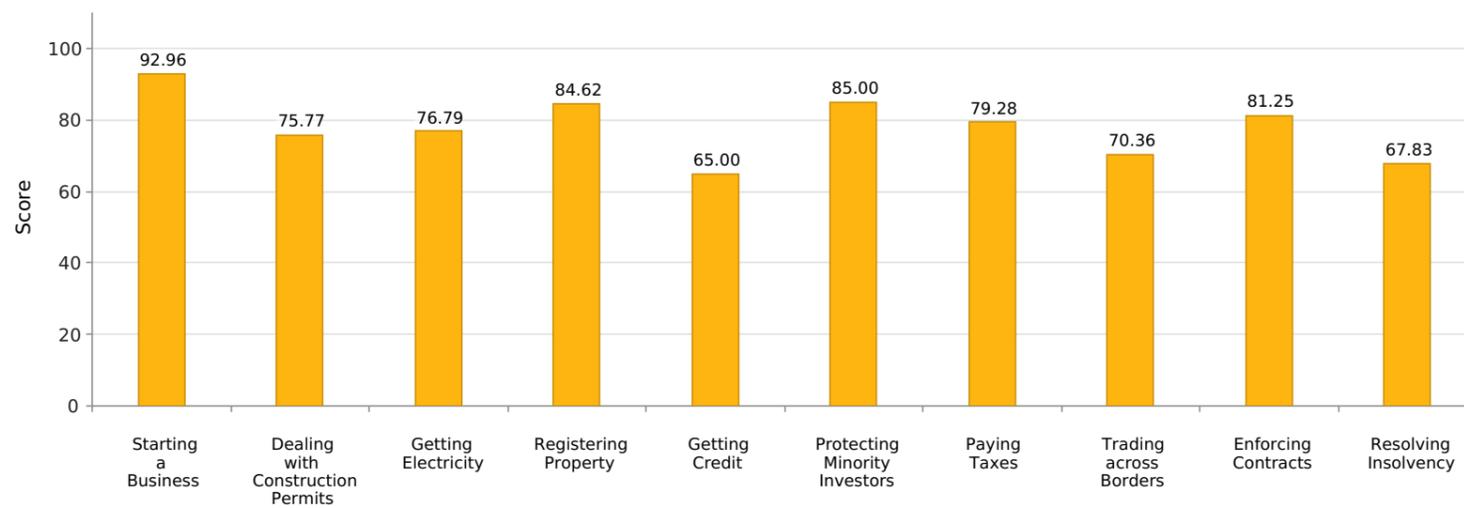


Note: The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Kazakhstan



Ease of Doing Business Score on Doing Business topics - Kazakhstan



## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul> <p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p> <p><b>The business:</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The entire office space is approximately 929 square meters (10,000 square feet).</li> <li>- Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.</li> <li>- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.</li> <li>- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita.</li> <li>- Does not qualify for investment incentives or any special benefits.</li> <li>- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.</li> <li>- Has a company deed that is 10 pages long.</li> </ul> <p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>- Are sane, competent, in good health and have no criminal record.</li> <li>- Are married and the marriage is monogamous and registered with the authorities.</li> <li>- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>

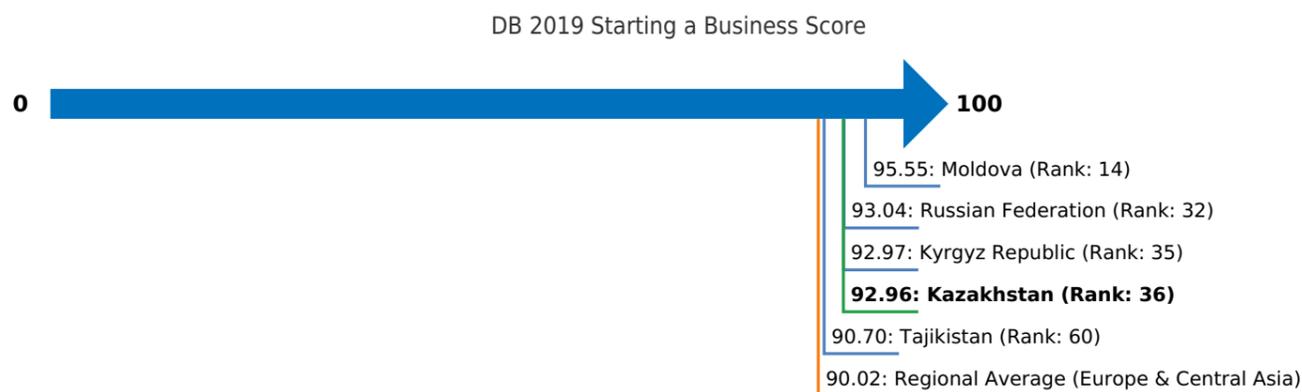
## Starting a Business - Kazakhstan

## Standardized Company

Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	KZT 0
City Covered	Almaty

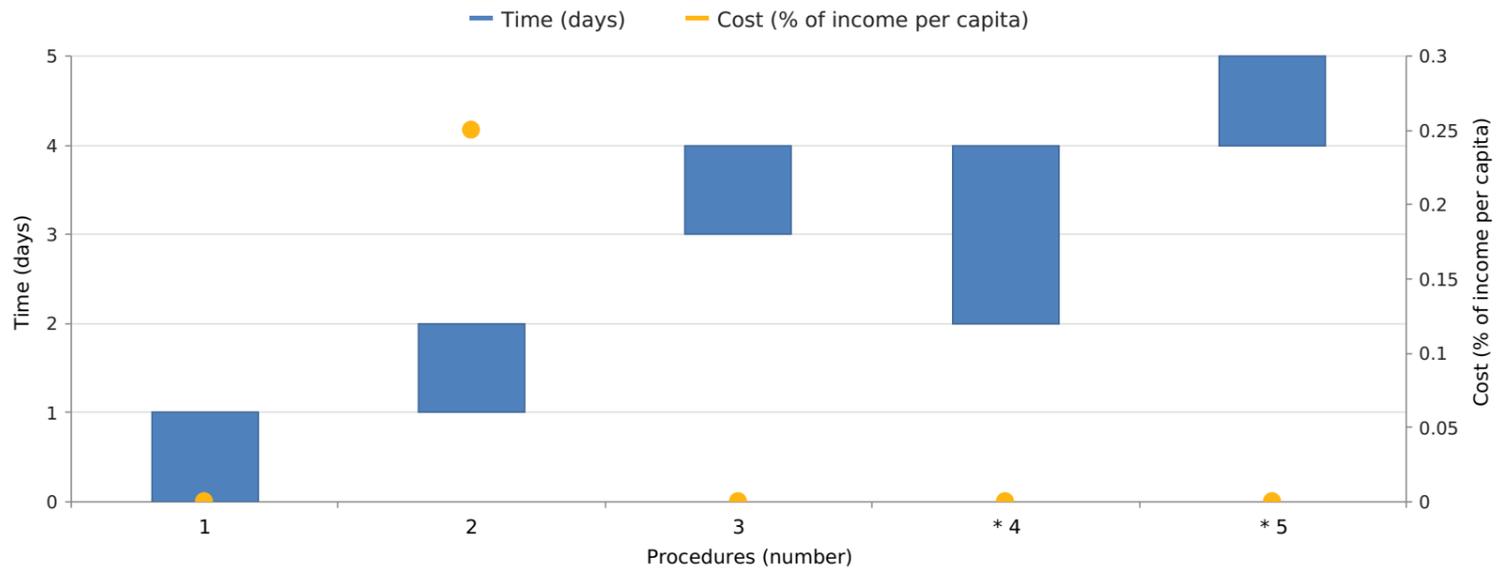
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	5	5.2	4.9	1 (New Zealand)
Time - Men (days)	5	12.9	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	0.3	4.6	3.1	0.0 (Slovenia)
Procedure - Women (number)	5	5.2	4.9	1 (New Zealand)
Time - Women (days)	5	12.9	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	0.3	4.6	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	0.0	2.3	8.6	0.0 (117 Economies)

Figure - Starting a Business in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Kazakhstan - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Kazakhstan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>State registration of legal entity</b>  <i>Agency</i> : Public Registration Center or e-government website</p> <p>Registration of small and medium enterprises (SME) and large business entities is performed based on a "one-stop-shop" principle: all the registration documents should be submitted to one state authority, the Public/Population Service Centers.</p> <p>The list of the required documents includes the following:</p> <ol style="list-style-type: none"> <li>1) a notification on commencement of entrepreneurial activity for small companies or standard application for medium companies;</li> <li>2) copies of IDs;</li> <li>3) for large-sized business entities - a receipt or other document confirming payment to the budget of the fee for state registration of legal entities; and</li> <li>4) power of attorney (if applicable).</li> </ol> <p>SMEs are exempted from payment of a registration fee as of January 1, 2015.</p> <p>The relevant justice authority shall issue an electronic certificate of state registration of a company not later than 1 day following the day of submission. If documents are filed online via electronic government portal the state registration shall be performed within 1 hour from the moment of documents submission. In order to register online, entrepreneurs need to obtain an electronic signature. An electronic signature can be obtained at public registration centers on the day of company registration if the founders do not have it already. It is common for entrepreneurs to have an individual e-signature or have an ID with a chip. To validate a new signature, in-person presence in the center is required.</p> <p>Besides individual electronic signature of company founders, the company should also obtain an electronic signature. It can be obtained in the Public/Population Service Center on the same day as company registration itself. After obtaining electronic identification, company name check can be quickly performed at the Service Center to ensure the name is unique and available. Registration of a company takes as little as 15 minutes and the electronic registration certificate can be printed out, sealed and signed by the registrar at the same time.</p> <p>Starting from January 1, 2018, during the incorporation through electronic platform, it is possible to apply for VAT registration, opening a bank account and registration for the obligatory insurance of life and health for employees. However, additional documents need to be submitted to the banks and insurance after such application. Furthermore, application for VAT registration can be submitted together with the incorporation application when the documents are provided in person.</p>	1 day	no charge
2	<p><b>Make a company seal</b>  <i>Agency</i> : Sealmaker</p> <p>Legal obligation to make company seal was abolished as per Law "On introduction of amendments and additions to certain legal acts on the issues of massive improvement of conditions for conducting entrepreneurial activity in the Republic of Kazakhstan" on December 29, 2014. Furthermore, on August 31, 2016, the National Bank adopted new Rules for opening accounts in accordance with which the standard form of the form with the signature sample of the authorized person and the company's seal was changed, and seal is no longer requested for opening the bank accounts. In 2018, Kazakhstan prohibited state bodies and financial organizations to demand a seal from private business entities.</p> <p>However, in practice the majority of companies continue making a company seal to interact with counterparts.</p>	1 day	KZT 5,000 - KZT 10,000
3	<p><b>Open the current account in the bank</b>  <i>Agency</i> : Commercial Bank</p> <p>Based on Art. 25 of the Law No. 11-VI "On payments and payment systems", legal entities must have bank accounts to operate. To open a current account, the founder typically must provide the bank with the following documents:</p> <ul style="list-style-type: none"> <li>• Cards with sample signatures and an imprint of the company seal.</li> <li>• Copy of the state registration certificate of legal entity from the registration body of the Ministry of Justice of the Republic of Kazakhstan.</li> <li>• Copies of identity documents for person(s) listed on the signature card(s) and company founders.</li> <li>• Application for bank account setup (bank-provided form).</li> </ul> <p>The exact list may vary depending on a specific bank.</p>	1 day	no charge

⇒ 4	<p><b>Register for VAT</b></p> <p><i>Agency</i> : Public Registration Center or electronic portal</p> <p>A company must registers as a VAT taxpayer if the threshold within a calendar year exceeds 30,000 MCI (KZT 72,150,000 in 2018). Voluntary VAT registration is also available. The registration is done according to the provisions of Article 82 of the Tax Code of Republic of Kazakhstan (adopted in 2018).</p> <p>From 2018, a company can register as a VAT taxpayer in two ways:</p> <ol style="list-style-type: none"> <li>1. in person at the Public Registration Center</li> <li>2. through electronic portal <a href="https://cabinet.salyk.kz/sonowebinfo/">https://cabinet.salyk.kz/sonowebinfo/</a></li> </ol> <p>Voluntary registration can be done during the incorporation as well. The only document that needs to be submitted is the standard application for VAT registration. The certificate of registration for the VAT is provided within on the next business day from filing the application.</p>	2 days	no charge
⇒ 5	<p><b>Register for the obligatory insurance of life and health for employees</b></p> <p><i>Agency</i> : Insurance Company</p> <p>Each employee should have employer-paid insurance according to the Law On Obligatory Insurance of The Liability of the Employer for Life and Health Tort to The Employee in Discharge of Labor and (Official) Duties (February 7, 2005) that became effective on July 1, 2005. The amount of insurance premium payable by an employer depends on insurance risks and wages. To assess risks, the insurance companies place all insurable personnel into three categories: administrative, operational, and support. Amounts of the insurance premium vary from 0.04% to 9.99%. The employer is obliged to conclude a contract of compulsory insurance of the employee against accidents with the insurer during the first decade of the month following the month in which the company commenced the activity.</p> <p>Payment of insurance premium (set out in an insurance agreement) is required.</p> <ol style="list-style-type: none"> <li>1. The amount of the insurance premium depends on insurance risks and the amount of annual payroll fund and is calculated as the amount of insurance coverage multiplied by an insurance tariff which as set out by the law in the range of 0.12% to 2.96%.</li> <li>2. Insurable personnel is not divided into three categories (administrative, operational and support) as previously for the purposes of risk assessment.</li> <li>3. An employer is required to get an insurance policy within the first 10 days of the month following the month of company registration.</li> </ol> <p>Since January 1, 2018, according to the Law of the Republic of Kazakhstan No. 49-VI dated 27 February 2017 "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Improving Civil, Banking Legislation and Improving Conditions for Entrepreneurial Activity" there is an opportunity for small and medium-sized business entities to apply for conclusion of the agreement on compulsory insurance of employee from accidents upon performance of labor duties by them electronically along with submission of application on state registration of the company via "electronic government" web-portal.</p>	1 day (simultaneous with previous procedure)	no charge

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul>	<p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul>
<p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

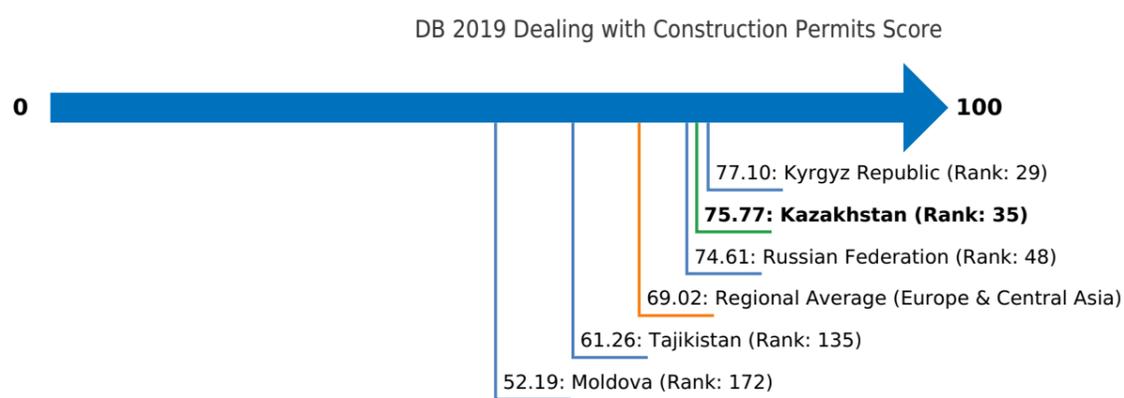
Dealing with Construction Permits - Kazakhstan

Standardized Warehouse

Estimated value of warehouse	KZT 127,888,723.80
City Covered	Almaty

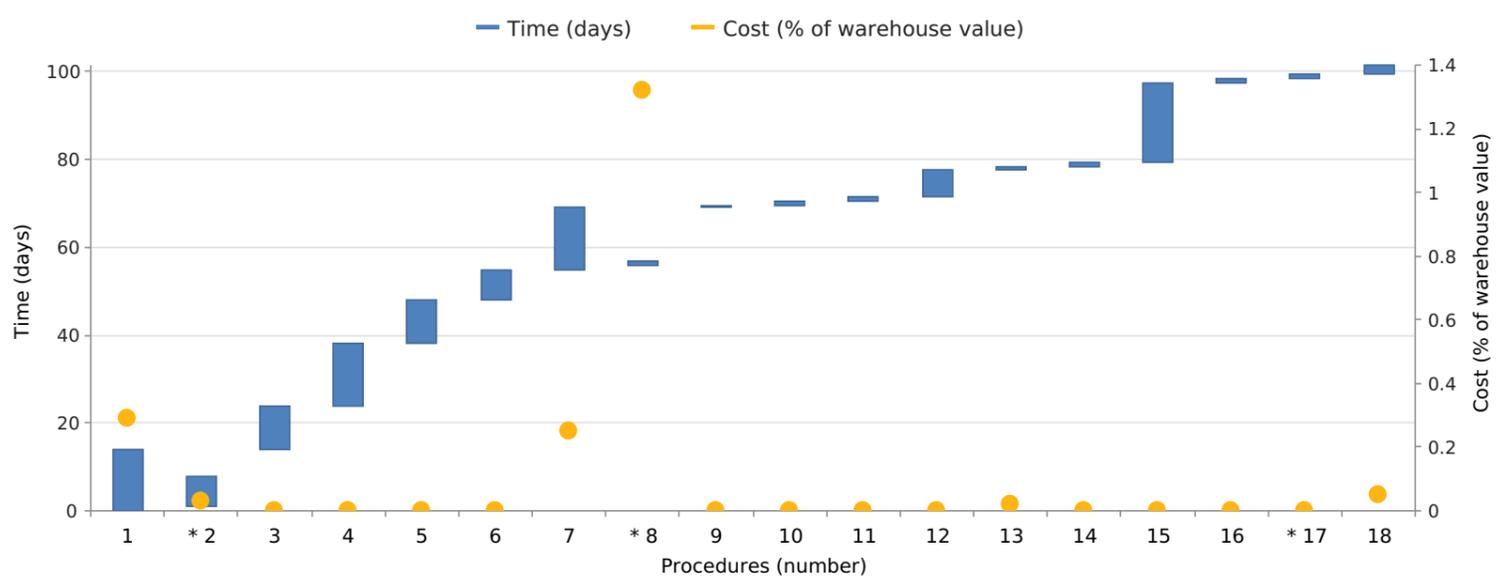
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	18	16.0	12.7	None in 2017/18
Time (days)	101.5	170.1	153.1	None in 2017/18
Cost (% of warehouse value)	2.0	4.0	1.5	None in 2017/18
Building quality control index (0-15)	13.0	12.0	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

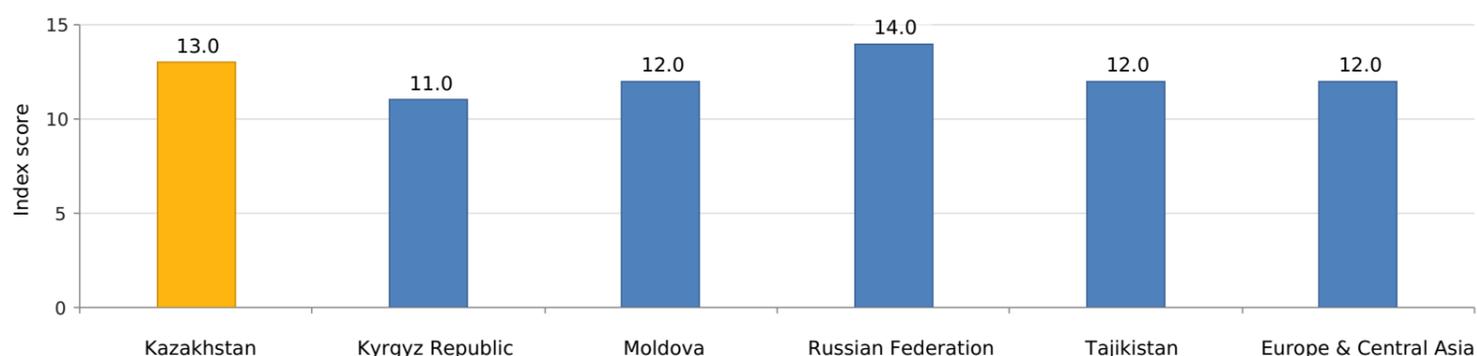
Figure - Dealing with Construction Permits in Kazakhstan - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Kazakhstan and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Kazakhstan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain geological survey of the land plot</b>  <i>Agency : Private firm</i>            According to the Law of Republic of Kazakhstan "On Architectural, Town-planning and Construction Activity in the Republic of Kazakhstan", and the new Law "On amendments and additions to some legislative acts of Kazakhstan on issues of architecture, urban planning and construction activities (Law of the Republic of Kazakhstan dated October 28, 2015 № 366-V), Article 27-4. The requirements to engineering survey results and to the project documentation, made mandatory to obtain a topographic and geological surveys of the land plot in order to start the project design works. These surveys are conducted by different private licensed entities and can be done at the same time. The land allocation must be obtain before both the geological study and topographical plan are requested.</p>	14 days	KZT 375,000
⇒ 2	<p><b>Obtain topographic survey of the land plot</b>  <i>Agency : Private firm</i>            According to the Law of Republic of Kazakhstan "On Architectural, Town-planning and Construction Activity in the Republic of Kazakhstan", and the new Law "On amendments and additions to some legislative acts of Kazakhstan on issues of architecture, urban planning and construction activities (Law of the Republic of Kazakhstan dated October 28, 2015 № 366-V), Article 27-4. The requirements to engineering survey results and to the project documentation, made mandatory to obtain a topographic and geological surveys of the land plot in order to start the project design works. These surveys are conducted by different private licensed entities and can be done at the same time.</p>	7 days	KZT 35,000
3	<p><b>Request and obtain architectural planning assignment (APZ) and technical conditions for utility connections</b>  <i>Agency : Almaty City Architecture and Town-Planning Department</i>            Once BuildCo obtains the geological and topographic surveys of the land plot, the architectural planning assignment (APZ) must be obtained. In order to do this, BuildCo must submit a business plan and project feasibility study to the city architecture department. The application must include any plans for construction, a description of the business activities to take place on site, and estimated utility hook-up and consumption requirements. In addition, BuildCo must submit a copy of the property title along with the plot document, approval of engineering-geological estimation of the plot, and company registration documents.             The architectural planning assignment is a permit to develop a building plan/design/project. It includes some provisions and requirements that must be taken into account while developing the project and building.</p>	10 days	no charge
4	<p><b>Request and obtain approval of the architectural drawings (Eskiz) from the department of architecture and town planning</b>  <i>Agency : Department of Architecture and Town Planning</i>            Once all the technical conditions, topographic survey and geological study are completed, the architect can develop the draft architectural plans of the project design (Eskiz) and submits it to the department of architecture and town planning for approval. According to the Standard of State Service on "Approval of the sketch design (Eskiz)", approved by Government of the RK from 03.17.2016 year №137, the official time limit for the approval of the Eskiz is 10 business days for technically not-complex buildings and 15 business days for technically complex buildings, free of charge.             BuildCo must submit the following documents at the time of the application:            1. Official application form            2. Identification documents            3. Sketch of the project (Eskiz)            4. A copy of the Architectural and Planning Assignment</p>	14 days	no charge

5	<p><b>Request and obtain clearance of the plans for engineering networks from the water and sewage authority</b></p> <p><i>Agency</i> : Almaty Su</p> <p>Once the technical conditions and the APZ are obtained, a project draft of the engineering networks for each utility (heat, gas, water, electricity, etc.). The engineering plans must be cleared by their respective utility which had initially issued technical conditions. Each utility provider checks its own section of the working project to ensure that the project of engineering networks complies with the specifications indicated in the technical conditions and if satisfied, stamped the relevant page of the working project to give their approval.</p>	10 days	no charge
6	<p><b>Request and obtain clearance of the plans for engineering networks from the Department of Architecture</b></p> <p><i>Agency</i> : Department of Architecture and Town Planning</p> <p>After obtaining clearances from the utility providers, BuildCo has to submit the project on engineering networks (Utilities) to the Department of Architecture for approval. The Department of Architecture has a designated day when a commission reviews and approves the projects on engineering networks.</p>	7 days	no charge
7	<p><b>Submit project documentation to the single window to undergo expert evaluation</b></p> <p><i>Agency</i> : Committee for Construction, Housing and Communal Services and Land Resources Management</p> <p>Once the investor has obtained the architectural planning assignment (APZ) and technical conditions for utility connections, all project documentation is submitted to the single window to conduct an expert evaluation of the construction project by various involved agencies. The single window is managed by the Committee for Construction, Housing and Communal Services and Land Resources Management, which is in the jurisdiction of the Ministry of National Economy of the Republic of Kazakhstan. Everything is submitted online at <a href="http://www.epsd.kz">www.epsd.kz</a> and must be electronically signed.</p> <p>After submitting the application materials through the single window, the investor signs an agreement with the expert organization(s) that will be conducting the evaluation of project materials. After all documents are submitted and experts are assigned through the single window, the fee for their services is calculated based on the complexity, size, and location of the construction project. The contract is sent to the investor through the single window portal. After the investor pays the fee and signs the contract, the expert examination begins. If the submitted application, along with supporting documents, is not complete, the investor is contacted by a representative of the single window portal and is asked to supply the missing materials. The expert evaluation through the single window takes 14 days, provided that there are no delays due to missing or incomplete application materials.</p> <p>Included in the expert evaluation are: project clearance from the Sanitation and Epidemiological Authority (SES), project clearance from the the electricity company, project approval from the Fire Service Department, project evaluation and approval by the Environmental Protection Agency, seismological project opinion from the Republican Enterprise Kazakhstan Scientific Institute "Kaz NIISA," project clearance from the Almaty City Architecture and Town-Planning Department, and other approvals as deemed necessary based on specific project documentation. Whereas previously these project clearances and approvals were obtained at separate agencies, now the process has been simplified and all project evaluation is done through the single window portal.</p> <p>The single window portal was introduced by amendments to Law No. 242 on Architectural, Town-planning and Construction Activity in the Republic of Kazakhstan, by way of the Order of the Minister of Economics No. 299 "Rules for comprehensive non-departmental examination of feasibility studies and design and estimate documentation for the construction of new buildings, and changes (reconstruction, expansion, technical re-equipment, modernization and overhaul) to existing buildings and structures and their complexes, engineering and transport communication regardless of funding sources," dated April 1, 2015.</p>	14 days	KZT 321,248
⇒ 8	<p><b>Hire construction technology supervision company</b></p> <p><i>Agency</i> : Construction Technology Supervision Company</p> <p>A licensed construction engineering supervision company or Individual who holds the appropriate certificate carries out the technical process of checking the different stages of the building. The average price is USD 3 -- 6 dollars per square meter, and may depend on the complexity of construction.</p>	1 day	USD 5,202

9	<p><b>Notify the Architecture and Town-Planning Control Department of Almaty about the start of construction</b></p> <p><i>Agency</i> : Almaty City Department of Architecture and Town-Planning Control</p> <p>After having passed through all the various examination at the project review phase in the "single window," having obtained all the necessary approvals, and after having hired the construction technology supervision company, the client notifies the Almaty City Department of Architecture and Town-Planning Control about the start of construction through the e-license website (<a href="https://elicense.kz/">https://elicense.kz/</a>).</p> <p>The notification requirement is stipulated in Law No. 242 on Architectural, Town-planning and Construction Activity in the Republic of Kazakhstan in article 68 (12) in accordance with Law No. 202-V on Permissions and Notifications in article 46 (2).</p>	0.5 days	no charge
10	<p><b>Receive inspection from GASK before the start of construction</b></p> <p><i>Agency</i> : Administration of State Architectural and Construction Control (GASK)</p> <p>GASK will conduct a site inspection within 5 working days after the receipt of the notification about the start of construction. The purpose of this inspection is to check if the information submitted in the notification about the start of construction is correct, also to check the licenses of the construction company and the technical supervision company. This is regulated by the Article 33 of the Law on Architecture, Construction and Urban Planning Activity.</p>	1 day	no charge
11	<p><b>Receive inspection from water authorities</b></p> <p><i>Agency</i> : Almaty Su</p>	1 day	no charge
12	<p><b>Connect to water services</b></p> <p><i>Agency</i> : Almaty Su</p>	6 days	no charge
13	<p><b>Request a technical passport</b></p> <p><i>Agency</i> : Public Service Center (PSC) or Center for Immovable Property of Almaty City</p> <p>The procedure for obtaining a technical passport is specified in the Rules for Carrying Out State Technical Inspections of Immovable Property (Attachment 1 to Order No. 156 of the Ministry of Justice of the Republic of Kazakhstan dated May 6, 2013) ("Rules"). State technical inspections are carried out by the Center for Immovable Property of Almaty City.</p> <p>Application for technical passport is done online through the e-gov website. In order to obtain a technical passport, BuildCo must submit the following documents:</p> <ol style="list-style-type: none"> <li>1) application in the form specified in the Rules, where such an application contains the name of the authorized body, the type of the immovable property with its address, and information on a person who files documents on behalf of BuildCo, the name and address of BuildCo;</li> <li>2) title documents (deeds) in respect of the warehouse with the land identification document;</li> <li>3) a document confirming fee payment for issuance of the technical passport.</li> </ol> <p>An inspection is conducted within the period of 20 business days necessary for obtaining a requested technical passport.</p> <p>Generally, a technical inspection consists of primary and subsequent inspections (i.e. land survey and a schematic plan of a land plot, the structure's measurement and a floor plan).</p>	1 day	KZT 26,800
14	<p><b>Receive an inspection for the issuance of technical passport</b></p> <p><i>Agency</i> : Real Estate Center</p> <p>A specialist from the Real Estate Center contacts BuildCo and coordinates the date of the inspection to take the measures of the building using electronic measurement tools. After the inspection, the technical passport is issued.</p>	1 day	no charge
15	<p><b>Obtain a technical passport</b></p> <p><i>Agency</i> : Public Service Center (PSC) or Center for Immovable Property of Almaty City</p> <p>A technical passport is issued upon the results of technical inspections. If a structure is newly constructed, its technical passport is subject to issuance upon the results of a primary inspection.</p> <p>Since the warehouse is over 1,000 sq.m., its technical passport is to be issued on the 20th day upon submission of all required documents.</p>	18 days	KZT 800
16	<p><b>Register the Act of Acceptance at the Administration of State Architectural and Construction Control (GASK)</b></p> <p><i>Agency</i> : Administration of State Architectural and Construction Control (GASK)</p> <p>Upon completion of the warehouse (construction), the Act of Acceptance is signed by the builder (the author of the project), the investor and the technical supervision company/individual expert. This Act is then submitted to GASK for registration (archiving) within 3 working days of signing, in accordance with Article 24, paragraph 1 subparagraph 12 of the Law on Architecture and Urban Planning Activity.</p>	1 day	no charge

⇒	<b>Register the Act of Acceptance at the Department of Architecture</b>	1 day	no charge
17	<p><i>Agency</i> : Department of Architecture and Town Planning</p> <p>BuildCo submits the Act of Completion to the Department of Architecture and Town Planning according to Article 73, paragraph 8 of the Law on Construction and Urban Planning Activity, amended by the Law of the Republic of Kazakhstan dated 29 December 2014 "On amendments and additions to some legislative acts of the Republic of Kazakhstan on issues of fundamental improvement of the business environment in the Republic of Kazakhstan", that came into force on 1 January 2016.</p> <p>The Department of Architecture and Town Planning duly registers the project in the municipal Cadaster's unified plan of engineering structures. This can be done in parallel to the previous procedure (submitting the Act to GASK).</p>		
18	<p><b>Register BuildCo's right to the warehouse</b></p> <p><i>Agency</i> : Registration Service Committee</p> <p>BuildCo must register the building with the Department of Justice at the place of location of the warehouse, once it has been registered with both the Administration of State Architectural and Construction Control (GASK) and the Department of Architecture and Town Planning.</p> <p>The standard term for the registration in the usual order is 5 business days, and for the accelerated registration -- 2 business days. The registration fees are calculated on the basis of MCI. The registration fee for the registration performed in the usual order is 10 * MCI and for the accelerated registration it is 30 * MCI.</p> <p>The documents to be submitted include an application, legal documents proving ownership, payment receipt, identification or legal entity registration certificate, charter, decision of the Akimat approving the building for use, the act of the state commission on approval for use, and so forth. An officer of the Registration Service Committee accepts the documents and issues a receipt that lists the documents received and indicates the date and time the documents were received.</p>	2 days	KZT 63,630

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Kazakhstan - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>13.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections by external engineer or firm; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, external engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam. 2.0

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

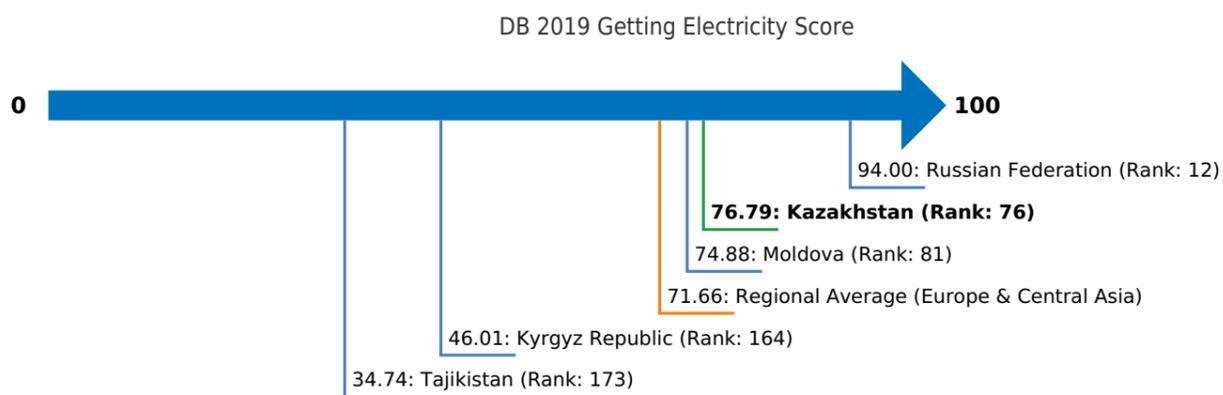
Getting Electricity - Kazakhstan

Standardized Connection

Price of electricity (US cents per kWh)	5.0
Name of utility	Alatau Zharyk
City Covered	Almaty

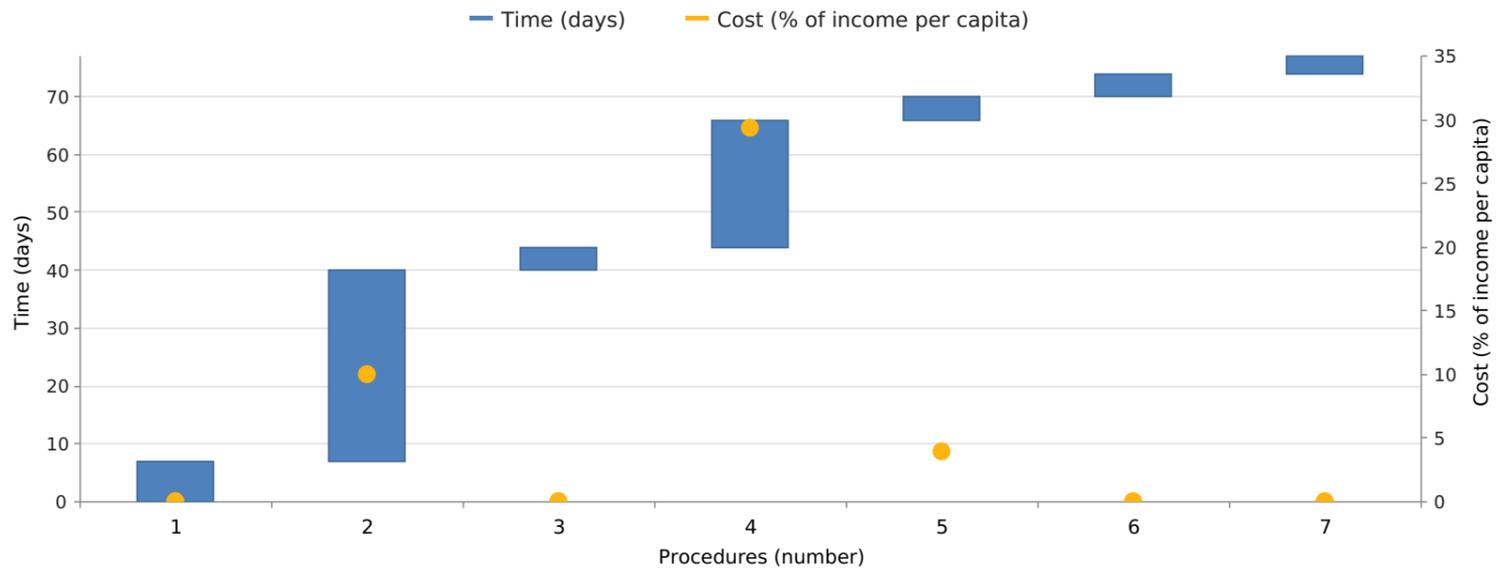
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	7	5.3	4.5	3 (25 Economies)
Time (days)	77	110.3	77.2	18 (3 Economies)
Cost (% of income per capita)	43.2	325.1	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	8	5.5	7.5	8.0 (27 Economies)

Figure - Getting Electricity in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

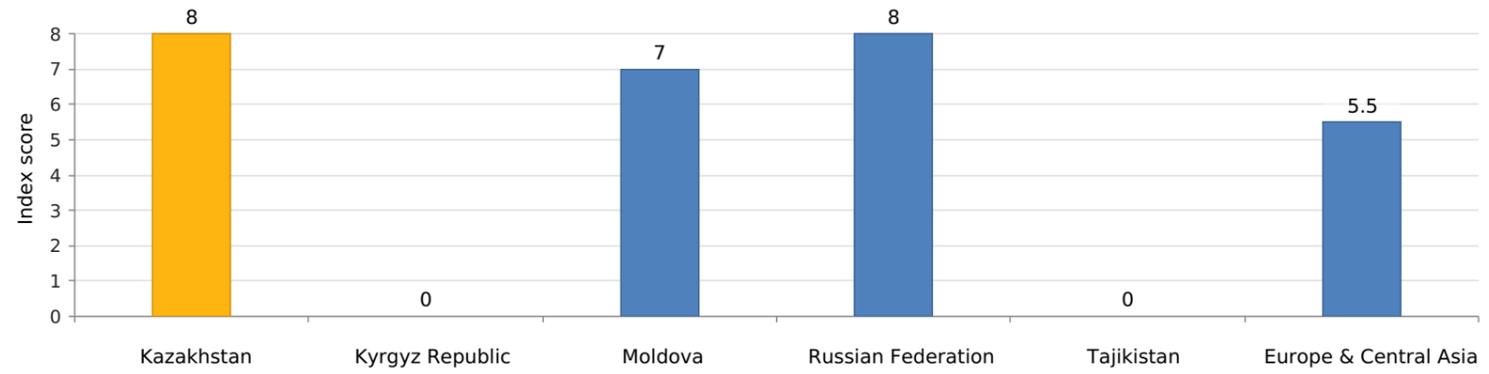
Figure - Getting Electricity in Kazakhstan - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Kazakhstan and comparator economies - Measure of Quality



## Details - Getting Electricity in Kazakhstan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit connection application and await technical conditions</b>  <i>Agency : Alatau Zharyk</i>            The customer submits an application for the electricity connection/technical conditions to Almaty Urban Planning and Architecture Department and awaits issuance of technical conditions. The technical conditions for electricity are received together with technical conditions from other utilities (water, gas, etc.).</p> <p>With the application the customer must submit the following documents: Application for technical conditions, Documents on property rights, identification documents, calculation of the required load, topographic map/survey. The specifications in technical conditions, among other things, define the capacity of the existing electricity facilities in the geographic location where the customer's warehouse is located and specify which substation or which point in the network is allocated for the customer.</p>	7 calendar days	KZT 0
2	<p><b>Await completion and coordination of project design by private firm and approval of design</b>  <i>Agency : Private electrical design company</i>            After the technical conditions are issued the customer hires a private project design company to prepare a project design of the external connection and if not available at this point a topographic plan of the location of the warehouse. The same company on behalf of the customer obtains an approval of the project at multiple organizations. The time recorded for this procedure includes the time for the preparation of the project and its coordination/approval.</p>	33 calendar days	KZT 255,000
3	<p><b>Obtain excavation clearance</b>  <i>Agency : State Architectural and Construction Control (ГАСК) in the city of Almaty and Almaty region</i>            There is no need to obtain an official permit per se, but the contractor hired by the customer still needs to obtain clearance from GASK. The process is as follows:</p> <p>1) The client submits an online application to GASK (E-Gov), along with the whole package of documents and approvals gathered during procedure 2.</p> <p>2) The application is processed by GASK. When processed, the client receives a notification indicating that works can be started.</p> <p>3) The client notifies the relevant agencies (e.g. for a tunnel, Road services are notified 1 day prior to works. For excavation the Road Service agency and the police should be notified 1-2 days prior to works and they will advise on the time when the works can be done). A representative from the RES (district electrical grid, a subsidiary of the utility) always needs to be present during the works.</p> <p>Note: Excavations are not allowed for main asphalt roads. Tunnels needs to be drilled instead. For secondary roads, it may be permitted, the authorities indicate where and when it can be done.</p>	4 calendar days	KZT 0
4	<p><b>Await completion of external works by electrical contractor</b>  <i>Agency : Licensed Electrical Installation Company</i>            After the electrical design is prepared specially licensed electrical installation company is hired to complete the external connection works. The meter is installed by the same electrical contractor.</p> <p>During the external works implementation the utility inspects trench and cables when those are still visible. After the external connection works are over, all the installations and the cable have to be tested. The private company carrying out the external connection works has to issue a certificate of completion of works and clear a number of various technical documents (about 28) with various agencies.</p>	22 calendar days	KZT 750,000
5	<p><b>Await and receive technical report</b>  <i>Agency : Private licensed company</i>            Customer has to hire a private licensed company to prepare a technical report on the external works. This document is required to be submitted to utility in order for them to come seal the meter and energize the warehouse.</p>	4 calendar days	KZT 100,000
6	<p><b>Apply for connection and await for sealing of the meter</b>  <i>Agency : Alatau Zharyk</i>            The technical report is submitted to the utility. From there, it takes 3-4 days for the utility to come inspects cables and switchboard, energize and seal the meter. In parallel, the utility delivers the Act of Balance Separation.</p>	4 calendar days	KZT 0

7	<b>Sign supply contract</b> <i>Agency : AlmatyEnergoSbyt</i> According to the Law "On Electric Power Industry of the Republic of Kazakhstan" the electricity supply contract is concluded with the supply company "AlmatyEnergoSbyt." After conclusion of the contract, "AlmatyEnergoSbyt" notifies "Alatau Zharyk" directly without involvement of the client. After the receipt of the application for sealing the meter, the representative of "Alatau Zharyk" visits the site within 2 days to seal the meter.	3 calendar days	KZT 0
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→ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Kazakhstan - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	8
<b>Total duration and frequency of outages per customer a year (0-3)</b>	3
System average interruption duration index (SAIDI)	0.8
System average interruption frequency index (SAIFI)	1.0
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	1.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.esalmaty.kz/index.php/ru/rates-and-services/tariff-plans">http://www.esalmaty.kz/index.php/ru/rates-and-services/tariff-plans</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

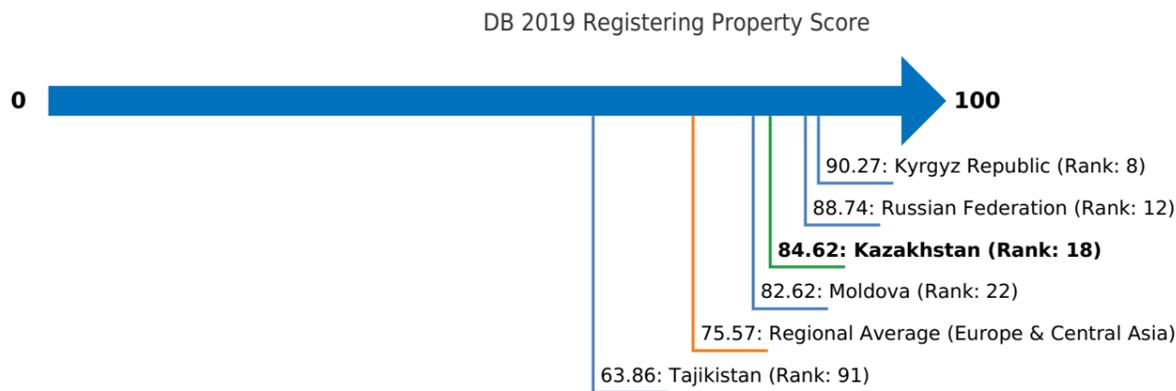
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally transfer title on immovable property (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</li> <li>• Registration procedures in the economy's largest business city.</li> <li>• Postregistration procedures (for example, filling title with municipality)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The parties (buyer and seller):</b></p> <ul style="list-style-type: none"> <li>- Are limited liability companies (or the legal equivalent).</li> <li>- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Are 100% domestically and privately owned.</li> <li>- Have 50 employees each, all of whom are nationals.</li> <li>- Perform general commercial activities.</li> </ul>
<p><b>Cost required to complete each procedure (% of property value)</b></p> <ul style="list-style-type: none"> <li>• Official costs only (such as administrative fees, duties and taxes).</li> <li>• Value Added Tax, Capital Gains Tax and illicit payments are excluded</li> </ul>	<p><b>The property (fully owned by the seller):</b></p> <ul style="list-style-type: none"> <li>- Has a value of 50 times income per capita, which equals the sale price.</li> <li>- Is fully owned by the seller.</li> <li>- Has no mortgages attached and has been under the same ownership for the past 10 years.</li> <li>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</li> <li>- Is located in a periurban commercial zone, and no rezoning is required.</li> <li>- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.</li> <li>- Will not be subject to renovations or additional construction following the purchase.</li> <li>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</li> <li>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</li> <li>- Has no occupants, and no other party holds a legal interest in it.</li> </ul>
<p><b>Quality of land administration index (0-30)</b></p> <ul style="list-style-type: none"> <li>• Reliability of infrastructure index (0-8)</li> <li>• Transparency of information index (0-6)</li> <li>• Geographic coverage index (0-8)</li> <li>• Land dispute resolution index (0-8)</li> <li>• Equal access to property rights index (-2-0)</li> </ul>	

Registering Property - Kazakhstan

Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	3	5.3	4.7	1 (4 Economies)
Time (days)	3.5	20.3	20.1	1 (New Zealand)
Cost (% of property value)	0.1	2.6	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	17.0	19.6	23.0	None in 2017/18

Figure - Registering Property in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

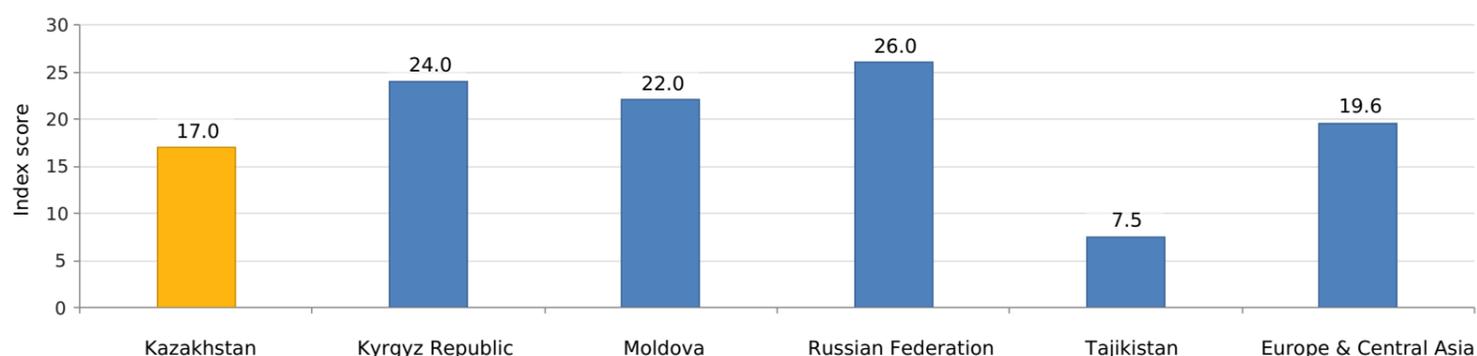
Figure - Registering Property in Kazakhstan - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Kazakhstan and comparator economies - Measure of Quality



## Details - Registering Property in Kazakhstan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Conduct due diligence on the property</b></p> <p><i>Agency</i> : 1) The Republican State Enterprise with the Right of Economic Management "Public Service Center" of the Committee for Automation Control of Public Services and Coordination of Service Centers of the Ministry of Transport and Communications of the Republic of Kazakhstan. 2) Web portal of "Electronic Government": <a href="http://www.egov.kz">www.egov.kz</a> 3) Notary, via the Unified Notarial Information System (ENIS) [Единая Нотариальная Информационная Система (ЕНИС)]</p> <p>The notary conducts due diligence, to confirm that the property has not encumbrances, liens or other attachments that would prevent the sale. To check the status of the property, the notary uses ENIS, an electronic portal allowing access to government information pertinent to the transaction and enabling communication with government agencies.</p> <p>A seller can also obtain a non-encumbrance certificate, free of charge, through the Government for Citizens centers or the e-government (egov) portal at <a href="http://www.egov.kz">www.egov.kz</a>.</p>	Less than one day, online	no charge
2	<p><b>Notarization of the sale-purchase agreement</b></p> <p><i>Agency</i> : Notary</p> <p>The parties have their sale-purchase agreement notarized. The notary confirms the identity of the selling and purchasing company's representative and ensures that each representative is authorized to conduct the transaction on behalf of the company. To do so, the notary checks the parties' identification cards, the company charter, the shareholder resolution or protocol of the general shareholders' meeting allowing the sale, the power of attorney allowing the buyer and seller to act on behalf of their company, and the original title.</p> <p>The parties sign the sale-purchase agreement before the notary and also sign the notary's logbook. The notary then electronically submits the registration application—along with the signed agreement—to the Department of Justice through ENIS.</p> <p>Fees—for the notary to notarize the sales agreement and initiate the transfer—are regulated by Article 30-1 of the Law of the Republic of Kazakhstan on Notaries (no. 155) of July 14, 1997 and Article 536 of the Code of the Republic of Kazakhstan on Taxes and Other Obligatory Payments into the Budget (Tax Code) (no. 99-IV) of December 10, 2008. A list of tariffs for notarial acts is also available on the ENIS website at <a href="http://enis.kz/Article/Details/101">http://enis.kz/Article/Details/101</a>. Notary fees are a function of the monthly calculation index, used to calculate taxes and government fees.</p> <p>For a property transfer involving a legal entity (company) the notary charges a total of 17 times the monthly calculation index:</p> <ul style="list-style-type: none"> <li>• 10 times the monthly calculation index for "the commission of notarial acts."</li> <li>• 7 times the monthly calculation index for providing "services of a legal and technical nature."</li> </ul> <p>The monthly calculation index for the calendar year 2017 is KZT 2,269 per the Law of the Republic of Kazakhstan about the republican budget for 2016 – 2018 (no. 426-V ZRK) of November 30, 2015. The monthly calculation index is also listed on the egov portal website at <a href="https://egov.kz/cms/en/articles/article_mci_2012">https://egov.kz/cms/en/articles/article_mci_2012</a> (last modified April 14, 2017).</p>	1 day	KZT 40,885; (The total cost is KZT 40,885. KZT 24,050 (10 times the monthly calculation index) plus KZT 16,835 (7 times the monthly calculation index).)

3	<b>Registration of the title document at the Department of Justice (Департамент Юстиции)</b> <i>Agency</i> : Department of Justice (Департамент Юстиции) Once the notary electronically submits the registration application to the Department of Justice, seller must pay the state registration fee, which can be made at the post office (KAZPOST), a commercial bank, the egov portal, or at a payment desk or automated teller at the Government for Citizens center. The registration fee for notary-initiated/electronic registration is 10 times the monthly calculated index, per Articles 455 – 456 of the Code of the Republic of Kazakhstan on Taxes and Other Obligatory Payments into the Budget (Tax Code) (no. 99-IV) of December 10, 2008.  The Department of Justice has a time limit of one working day (not counting the date of submission/payment) to complete electronic/notary-initiated registrations, per Article 23 of the Law of the Republic of Kazakhstan (no. 310-III) of July 26, 2007 ( <a href="http://online.zakon.kz/Document/?doc_id=30118294">http://online.zakon.kz/Document/?doc_id=30118294</a> ). The registered documents are thus electronically returned to the notary for delivery to the client the following day.	2 days	KZT 24,050; (10 Monthly Calculated Index)
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→ Takes place simultaneously with previous procedure.

## Details - Registering Property in Kazakhstan - Measure of Quality

	Answer	Score
<b>Reliability of infrastructure index (0-8)</b>		<b>6.0</b>
What is the institution in charge of immovable property registration?	Department of Justice of Almaty city (Департамент Юстиции: Алматы)	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Department of Land Cadaster and Technical Survey of Real Estate - Branch of State Owned Corporation "Government for the Citizens" - НАО "Государственная корпорация" Правительство для граждан"	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>3.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://adilet.zan.kz/rus/docs/V1500011408#z6">http://adilet.zan.kz/rus/docs/V1500011408#z6</a> or <a href="http://egov.kz/cms/en/services/pas065_mu">http://egov.kz/cms/en/services/pas065_mu</a>	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="https://tengrinews.kz/zakon/pravitelstvo_respubliki_kazahstan_premier_ministr_rk/sud/id-V1500011408">https://tengrinews.kz/zakon/pravitelstvo_respubliki_kazahstan_premier_ministr_rk/sud/id-V1500011408</a>	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5

Link for online access:	<a href="https://online.zakon.kz/document/?doc_id=38098330#pos=7;-97">https://online.zakon.kz/document/?doc_id=38098330#pos=7;-97</a>	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	A complaint can be submitted online on the website of the Ministry of Justice of the Republic of Kazakhstan, which is: <a href="http://www.adilet.gov.kz/ru/questions">http://www.adilet.gov.kz/ru/questions</a> . The online portal build in a Q&A format allows citizens to submit complaints, comments and recommendations concerning all types of transactions with a property. Upon submission of the complaint, one receives a reference number that can be used for tracking the status of the complaint in the system. All responses of the agency to complaints are published online and open to the public review.	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2017:		
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.aisgzk.kz/aisgzk/ru/content/price/">http://www.aisgzk.kz/aisgzk/ru/content/price/</a>	
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0

Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>7.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	No	0.0
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary; Lawyer;	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	Special Interdistrict Economic Court of Almaty city	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there any statistics on the number of land disputes in the first instance?	Yes	0.5
Number of land disputes in the largest business city in 2017:	6276.0	
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

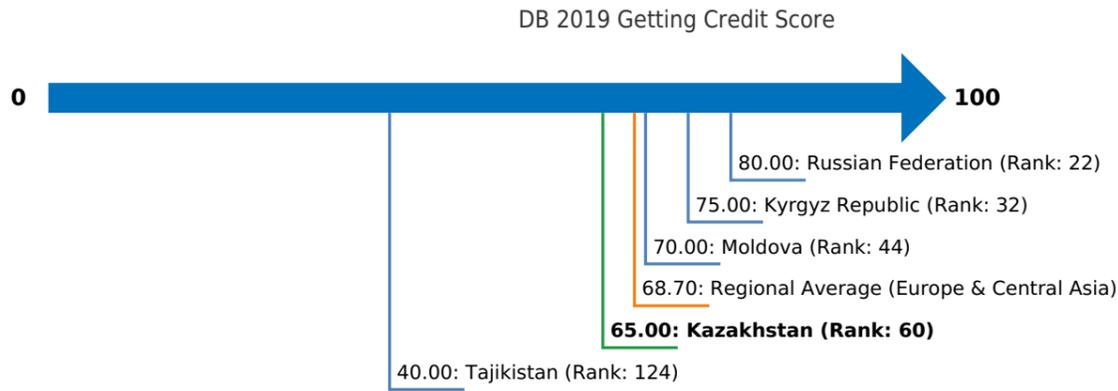
This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Strength of legal rights index (0-12)</b></p> <ul style="list-style-type: none"> <li>• Rights of borrowers and lenders through collateral laws (0-10)</li> <li>• Protection of secured creditors' rights through bankruptcy laws (0-2)</li> </ul> <p><b>Depth of credit information index (0-8)</b></p> <ul style="list-style-type: none"> <li>• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)</li> </ul> <p><b>Credit bureau coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in largest credit bureau as a percentage of adult population</li> </ul> <p><b>Credit registry coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in credit registry as a percentage of adult population</li> </ul>	<p><i>Doing Business</i> assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.</p> <p>In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.</p> <p><b>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</b></p> <ul style="list-style-type: none"> <li>- ABC is a domestic limited liability company (or its legal equivalent).</li> <li>- ABC has up to 50 employees.</li> <li>- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Both ABC and BizBank are 100% domestically owned.</li> </ul> <p>The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).</p> <p>In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.</p>

Getting Credit - Kazakhstan

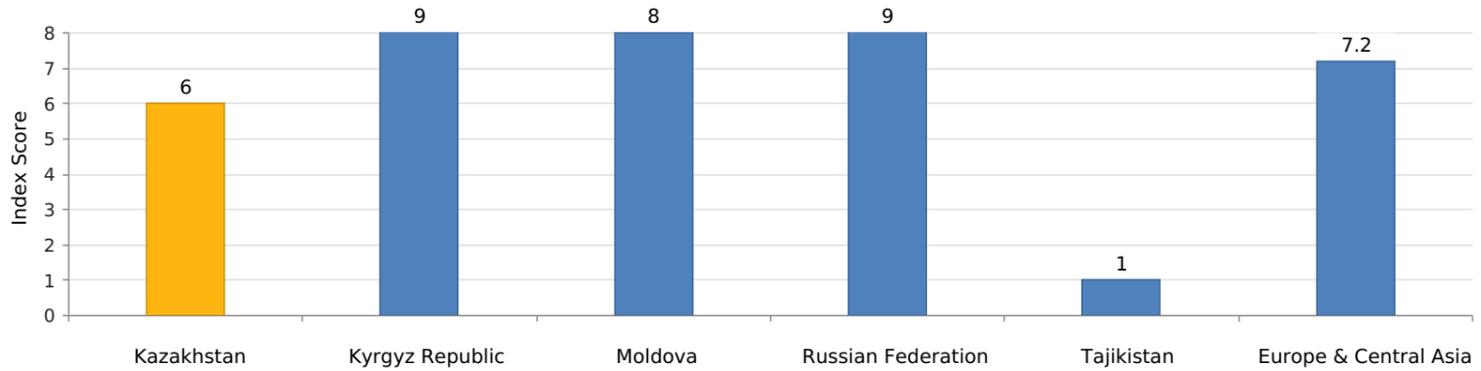
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	7.2	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	6.6	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	0	25.3	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	59.3	43.4	65.3	100.0 (25 Economies)

Figure - Getting Credit in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

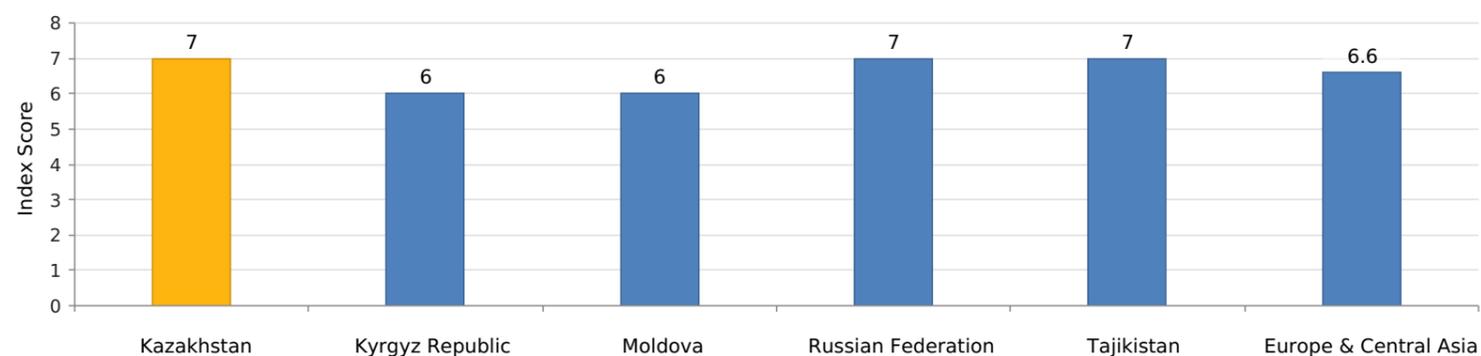
Figure - Legal Rights in Kazakhstan and comparator economies



Details - Legal Rights in Kazakhstan

<b>Strength of legal rights index (0-12)</b>	<b>6</b>
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	Yes
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in Kazakhstan and comparator economies



## Details - Credit Information in Kazakhstan

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>7</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	6,919,401	0
Number of firms	46,026	0
Total	6,965,427	0
<b>Percentage of adult population</b>	<b>59.3</b>	<b>0</b>

## Protecting Minority Investors

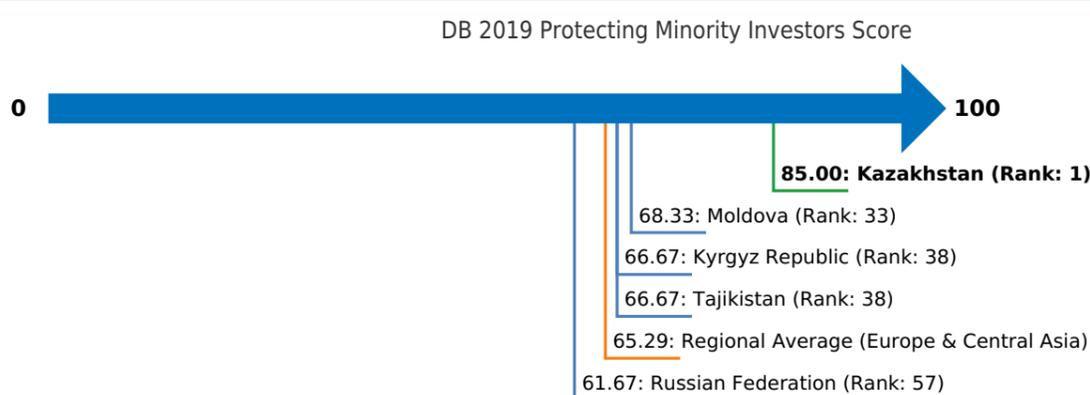
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> <li>• <b>Extent of disclosure index (0-10):</b> Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions</li> <li>• <b>Extent of director liability index (0-10):</b> Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)</li> <li>• <b>Ease of shareholder suits index (0-10):</b> Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses</li> <li>• <b>Extent of conflict of interest regulation index (0-10):</b> Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices</li> <li>• <b>Extent of shareholder rights index (0-10):</b> Shareholders' rights and role in major corporate decisions</li> <li>• <b>Extent of ownership and control index (0-10):</b> Governance safeguards protecting shareholders from undue board control and entrenchment</li> <li>• <b>Extent of corporate transparency index (0-10):</b> Corporate transparency on ownership stakes, compensation, audits and financial prospects</li> <li>• <b>Extent of shareholder governance index (0-10):</b> Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices</li> <li>• <b>Strength of minority investor protection index (0-10):</b> Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices</li> </ul>	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p><b>The business (Buyer):</b></p> <ul style="list-style-type: none"> <li>- Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.</li> <li>- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.</li> <li>- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.</li> <li>- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.</li> <li>- Is a manufacturing company with its own distribution network.</li> </ul> <p><b>The transaction involves the following details:</b></p> <ul style="list-style-type: none"> <li>- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.</li> <li>- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.</li> <li>- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.</li> <li>- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.</li> <li>- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.</li> <li>- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.</li> </ul>

Protecting Minority Investors - Kazakhstan

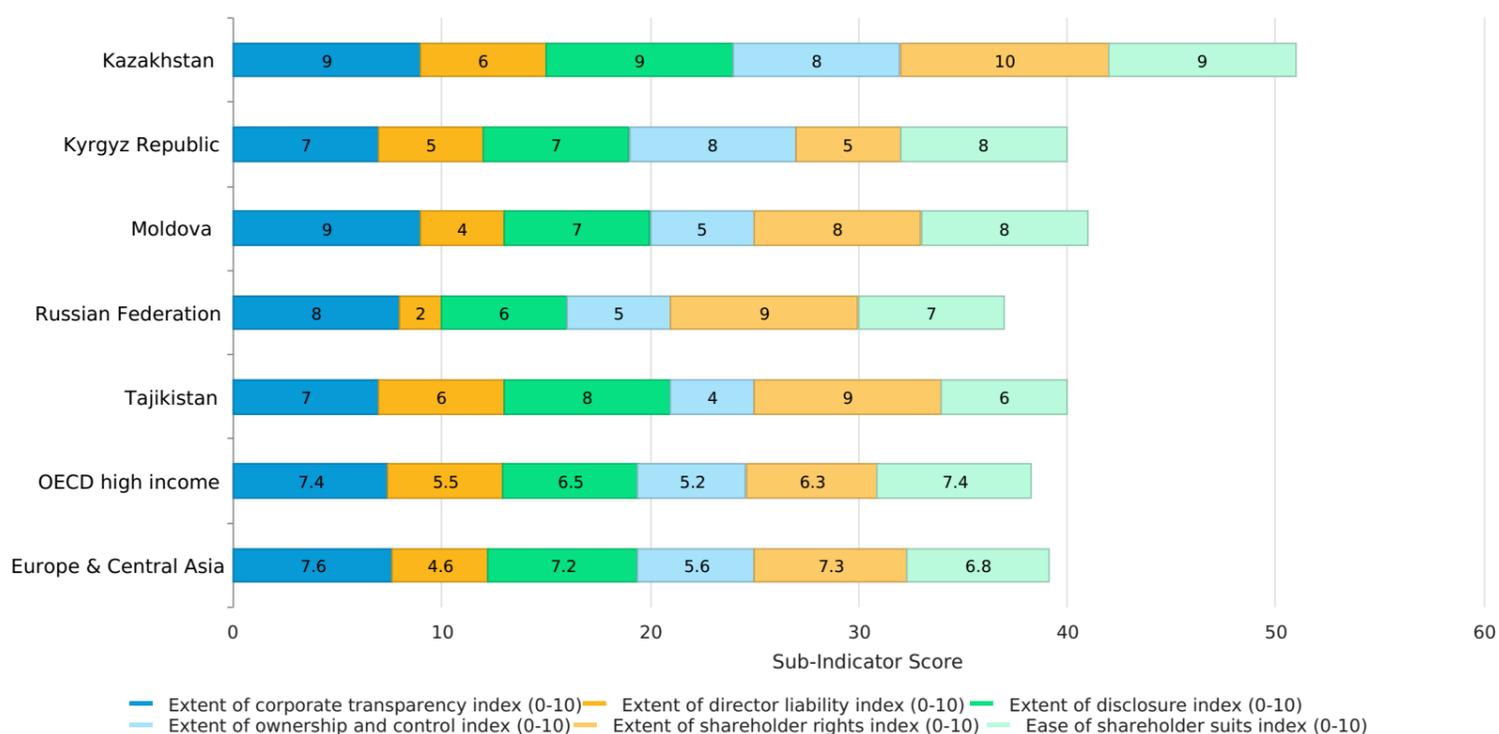
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	9.0	7.3	6.5	10 (13 Economies)
Extent of director liability index (0-10)	6.0	4.9	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	9.0	6.8	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	10.0	7.1	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	8.0	5.6	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	9.0	7.5	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Kazakhstan and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Kazakhstan - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>8</b>
<b>Extent of disclosure index (0-10)</b>		<b>9.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>6.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>9.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-10)</b>		<b>9.0</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>10.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0

Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all or almost all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
<b>Extent of ownership and control index (0-10)</b>		<b>8.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	Yes	1.0
<b>Extent of corporate transparency index (0-10)</b>		<b>9.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with a VAT refund (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2017, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.

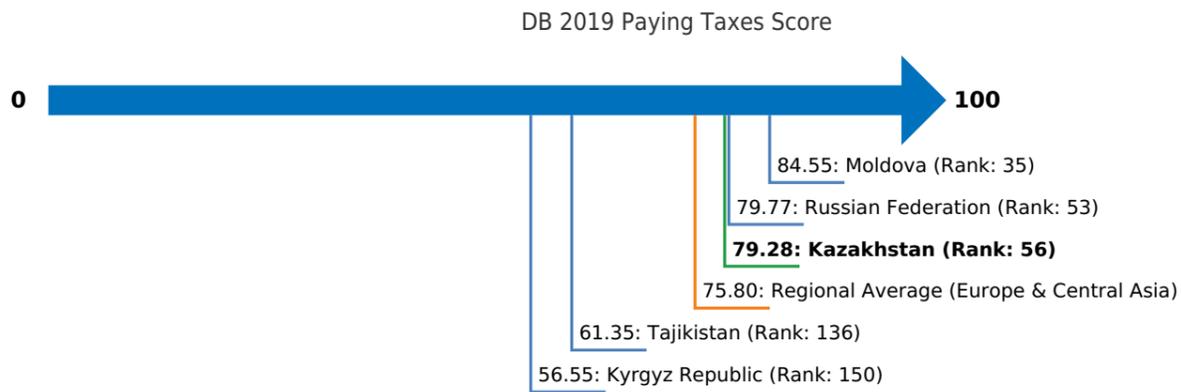
#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Kazakhstan

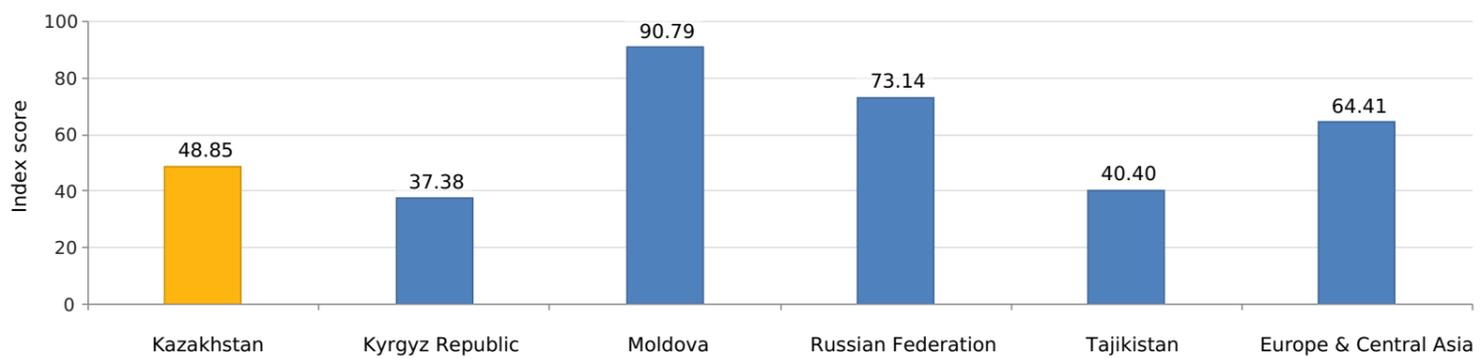
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Payments (number per year)	7	16.6	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	182	214.8	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	29.4	32.3	39.8	26.1% (32 Economies)
Postfiling index (0-100)	48.85	64.41	84.41	None in 2017/18

Figure - Paying Taxes in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Kazakhstan and comparator economies - Measure of Quality



## Details - Paying Taxes in Kazakhstan

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	55.0	20%	taxable profit	16.20	
Social Tax	1.0	online	74.0	11%	gross salaries less obligatory pension contributions	11.17	
Property tax	0.0	online and jointly		1.5%	property annual average net book value	1.39	
National Chamber of Entrepreneur's contribution	1.0			155*MCI (1 MCI = KZT 2,269 for 2017)	fee scale	0.38	
Compulsory social health insurance (OCMI)	0.0	Online and jointly		1%	gross salaries	0.12	
Environment pollution fee	1.0	online		0,66 * 1 MCI (1 MCI = KZT 2,269 for 2017) per tonne	amount of waste and fuel consumption	0.06	
Land tax	1.0	online		KZT 28.95 per square meter	land area	0.02	
Vehicle tax	1.0	online		9 MCI (1 MCI = KZT 2,269 for 2017)	carrying capacity	0.02	
Value added tax (VAT)	1.0	online	53.0	12%	value added	0.00	
Pension contributions	0.0	online and jointly		10%	gross salaries	0.00	withheld
Totals	7		182			29.4	

## Details - Paying Taxes in Kazakhstan - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	16.2
Labor tax and contributions (% of profit)	11.3
Other taxes (% of profit)	1.9

## Details - Paying Taxes in Kazakhstan - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>48.85</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to international traders	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
Time to obtain a VAT refund (weeks)	No VAT refund per case study scenario	0
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	4.0	95.41
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

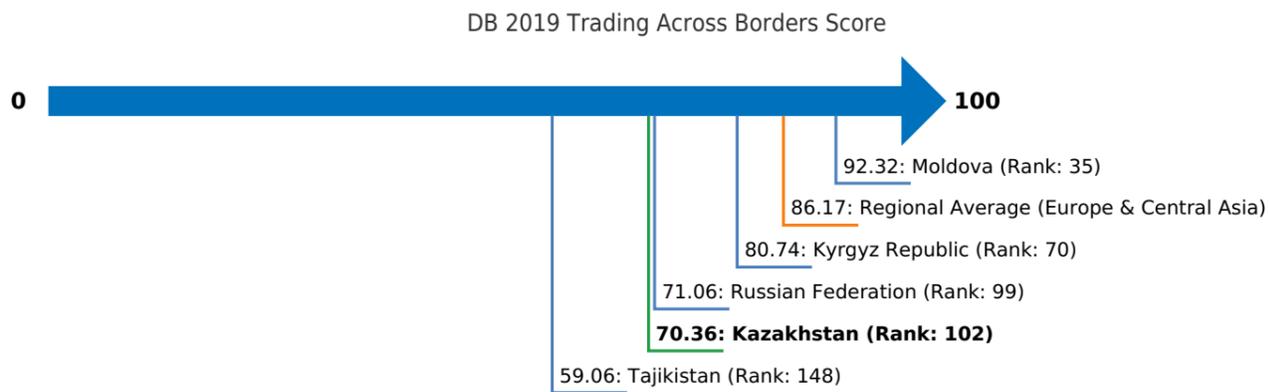
#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Kazakhstan

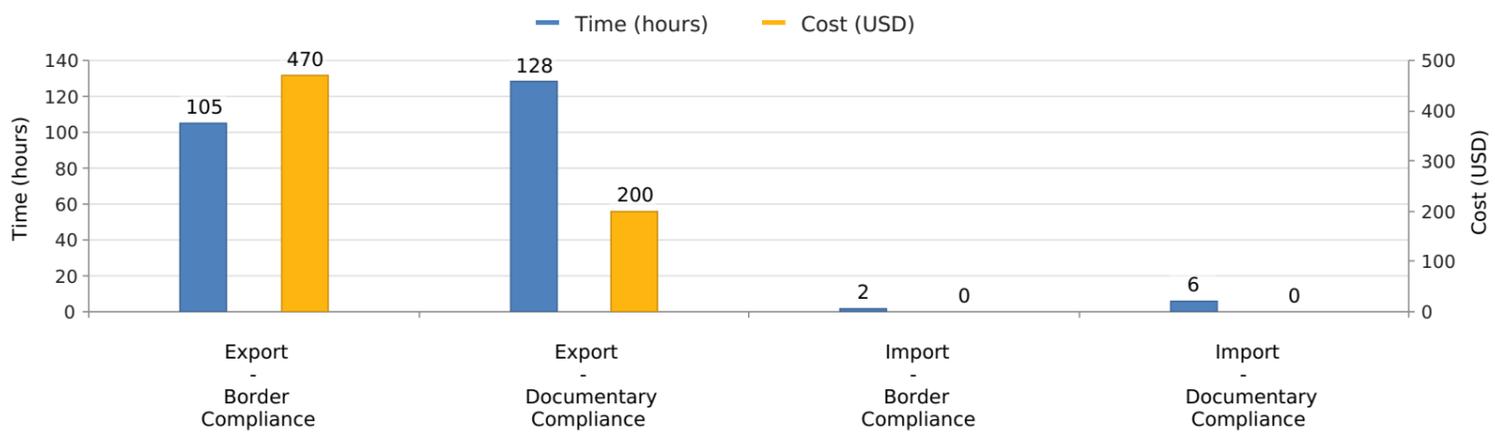
Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	105	22.1	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	470	157.5	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	128	24.3	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	200	97.9	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	2	21.1	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	0	162.3	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	6	24.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	0	93.9	24.9	0 (30 Economies)

Figure - Trading across Borders in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Kazakhstan - Time and Cost



## Details - Trading across Borders in Kazakhstan

Characteristics	Export	Import
Product	HS 72 : Iron and steel	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	Russian Federation
Border	Alashankou border crossing	Troizk border crossing
Distance (km)	720	2300
Domestic transport time (hours)	48	84
Domestic transport cost (USD)	281	1595

## Details - Trading across Borders in Kazakhstan - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	12.0	180.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	93.0	290.0
Import: Clearance and inspections required by customs authorities	0.0	0.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	2.0	0.0

## Details - Trading across Borders in Kazakhstan - Trade Documents

Export	Import
Commercial Invoice	Invoice
Packing list	Waybill
Export customs declaration	Packing list
Waybill	
Certificate of conformity	

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to enforce a contract through the courts (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Time to file and serve the case</li> <li>• Time for trial and to obtain the judgment</li> <li>• Time to enforce the judgment</li> </ul> <p><b>Cost required to enforce a contract through the courts (% of claim)</b></p> <ul style="list-style-type: none"> <li>• Attorney fees</li> <li>• Court fees</li> <li>• Enforcement fees</li> </ul> <p><b>Quality of judicial processes index (0-18)</b></p> <ul style="list-style-type: none"> <li>• Court structure and proceedings (-1-5)</li> <li>• Case management (0-6)</li> <li>• Court automation (0-4)</li> <li>• Alternative dispute resolution (0-3)</li> </ul>	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p> <ul style="list-style-type: none"> <li>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.</li> <li>- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.</li> <li>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.</li> <li>- The seller requests the pretrial attachment of the defendant's movable assets to secure the claim.</li> <li>- The dispute on the quality of the goods requires an expert opinion.</li> <li>- The judge decides in favor of the seller; there is no appeal.</li> <li>- The seller enforces the judgment through a public sale of the buyer's movable assets.</li> </ul>

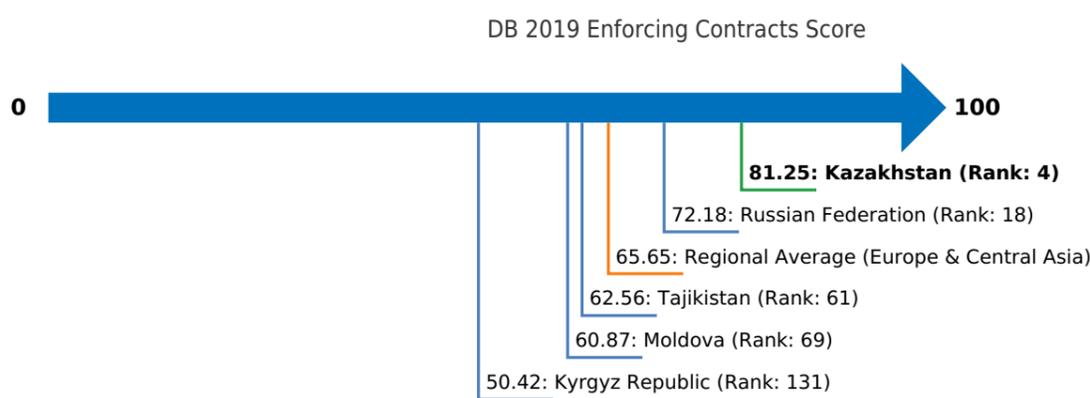
Enforcing Contracts - Kazakhstan

Standardized Case

Claim value	KZT 4,661,483
Court name	Almaty Inter-District Commercial Court
City Covered	Almaty

Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time (days)	370	496.3	582.4	None in 2017/18
Cost (% of claim value)	22.0	26.3	21.2	None in 2017/18
Quality of judicial processes index (0-18)	16.0	10.3	11.5	None in 2017/18

Figure - Enforcing Contracts in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Kazakhstan - Time and Cost

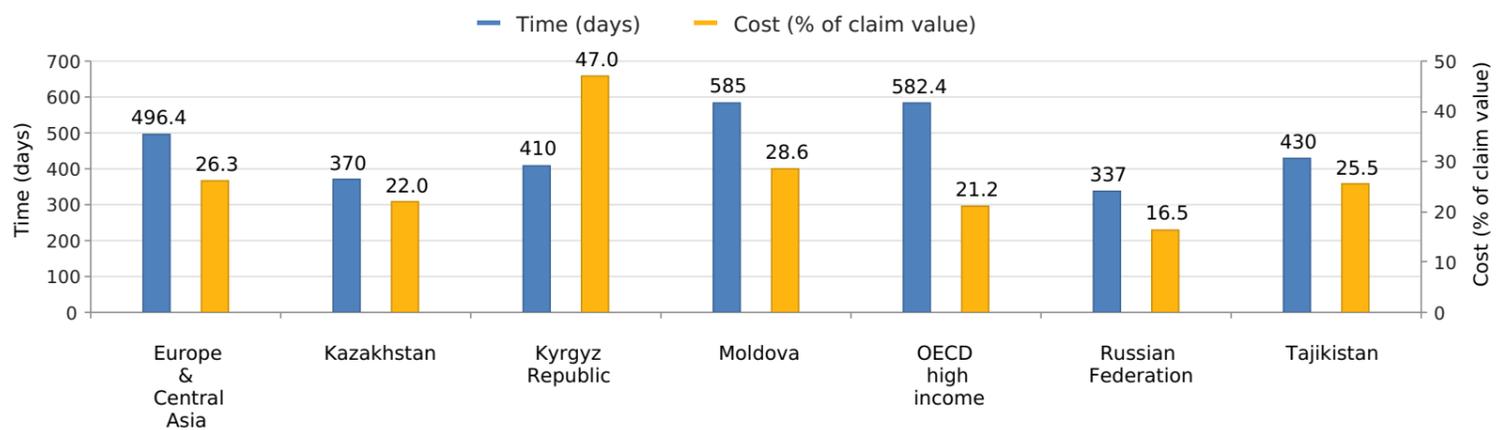
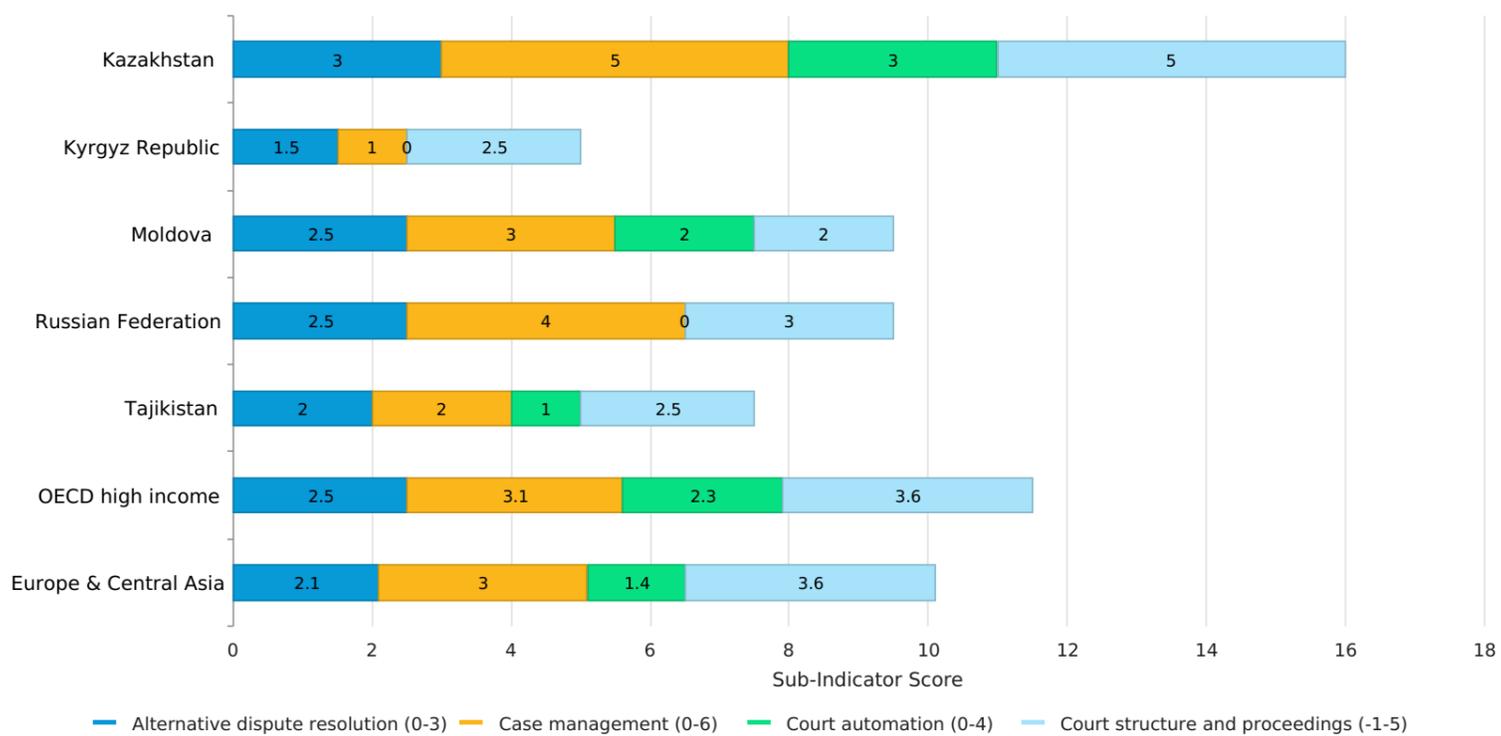


Figure - Enforcing Contracts in Kazakhstan and comparator economies - Measure of Quality



Details - Enforcing Contracts in Kazakhstan

	Indicator
<b>Time (days)</b>	<b>370</b>
Filing and service	15
Trial and judgment	135
Enforcement of judgment	220
<b>Cost (% of claim value)</b>	<b>22.0</b>
Attorney fees	8.5
Court fees	3.5
Enforcement fees	10
<b>Quality of judicial processes index (0-18)</b>	<b>16.0</b>
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	5.0
Court automation (0-4)	3.0
Alternative dispute resolution (0-3)	3.0

## Details - Enforcing Contracts in Kazakhstan - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>16.0</b>
<b>Court structure and proceedings (-1-5)</b>		<b>5.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>5.0</b>
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
<b>Court automation (0-4)</b>		<b>3.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	yes	1.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
<b>Alternative dispute resolution (0-3)</b>		<b>3.0</b>
1. Arbitration		1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes	

## Resolving Insolvency

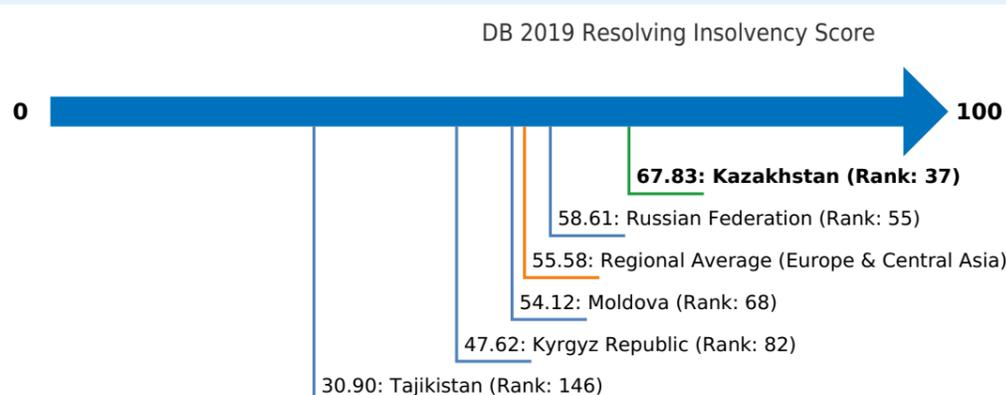
*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p>
<p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul>	<ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</li> <li>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</li> </ul>
<p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul>	<p>In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</p>
<p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul>	
<p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	

Resolving Insolvency - Kazakhstan

Indicator	Kazakhstan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	38.9	38.6	70.5	None in 2017/18
Time (years)	1.5	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	15.0	13.2	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	15.0	11.1	11.9	None in 2017/18

Figure - Resolving Insolvency in Kazakhstan and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Kazakhstan - Time and Cost

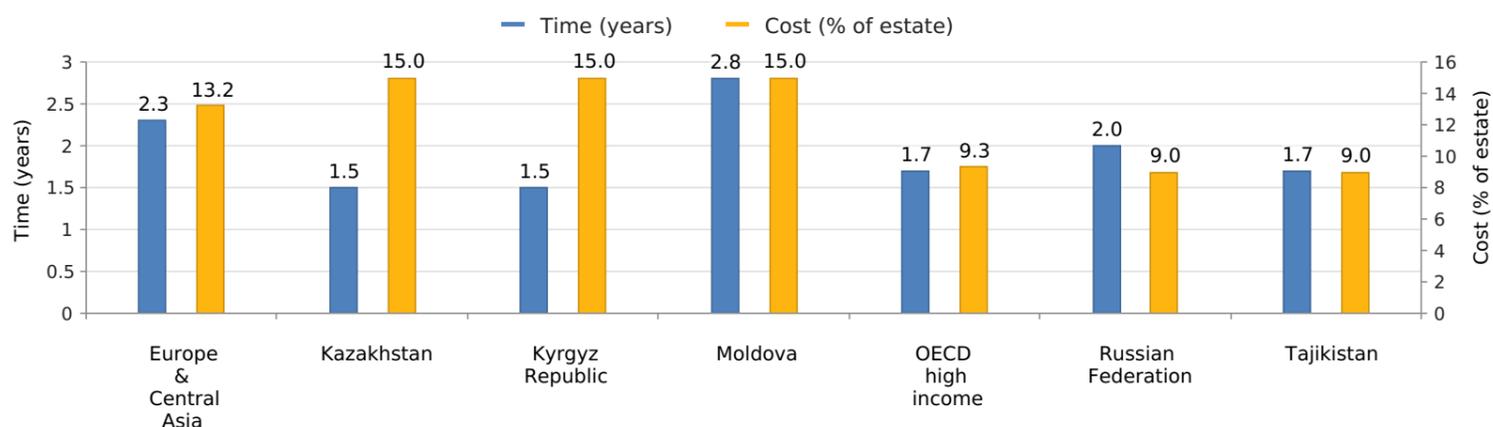
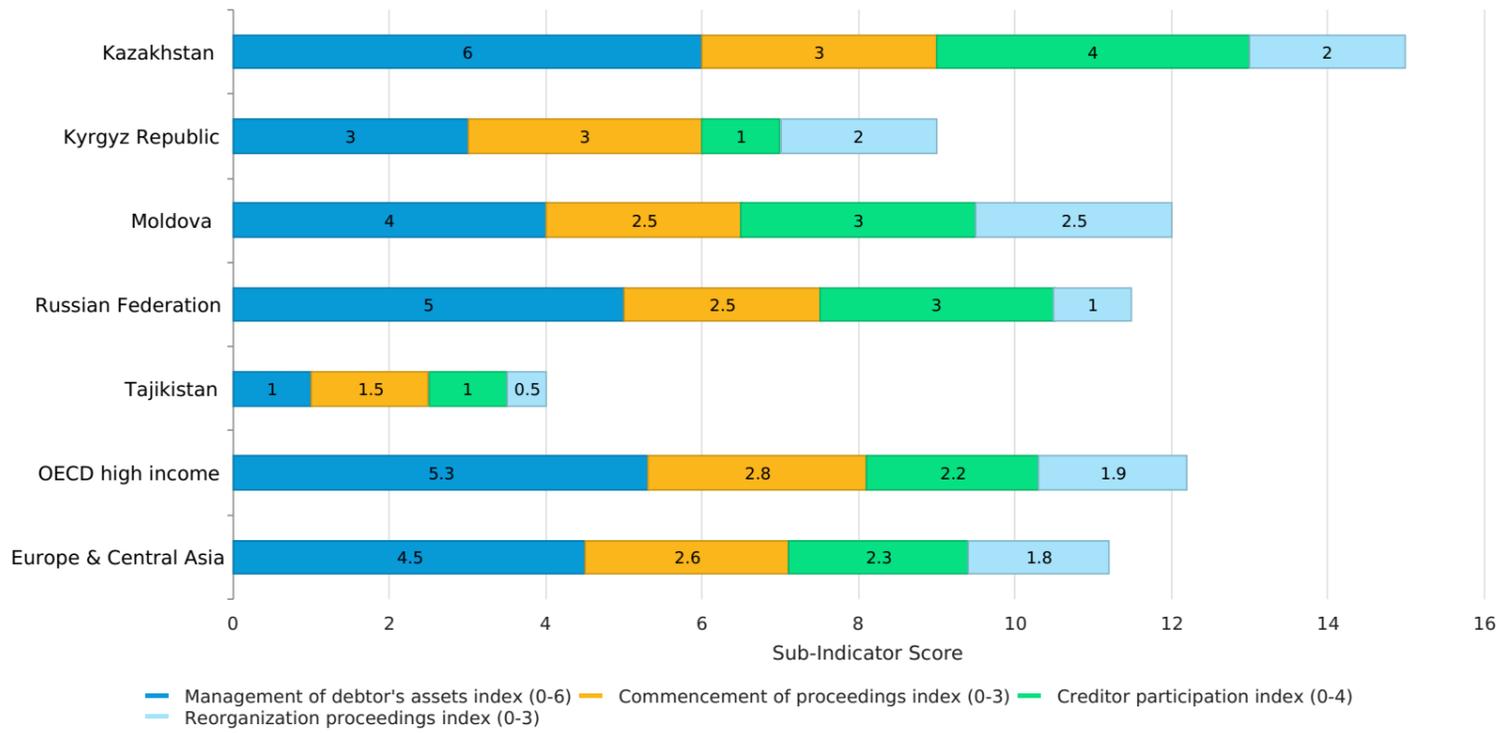
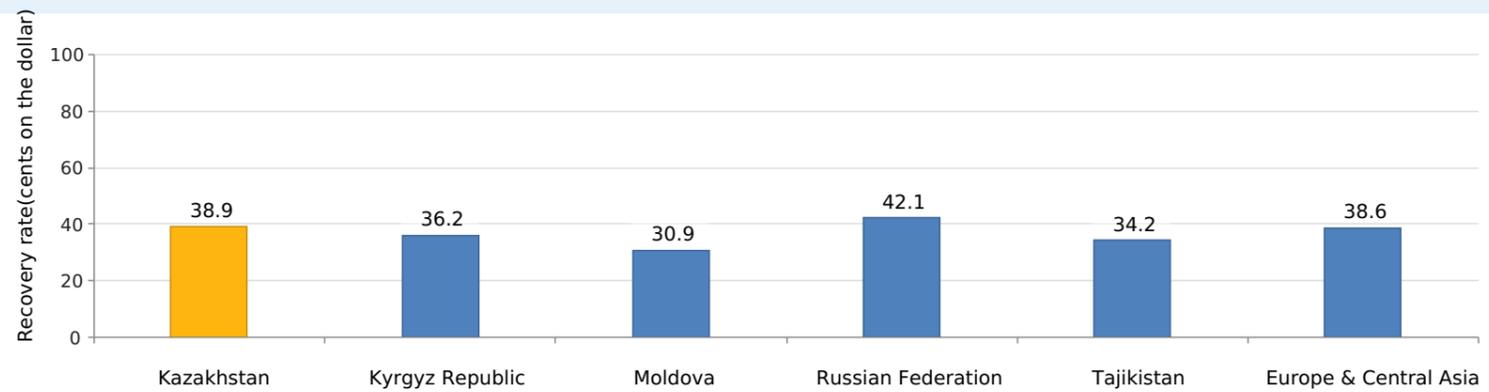


Figure - Resolving Insolvency in Kazakhstan and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Kazakhstan and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Kazakhstan

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at foreclosure)	BizBank will initiate foreclosure, because it is the most efficient way to enforce its security. The hotel management will then initiate insolvency proceedings in an attempt to restructure the business. Under Article 50 (1)(3) of the Law on Rehabilitation and Bankruptcy, all enforcement proceedings will be stayed. The hotel management will propose a reorganization plan. However, BizBank is not likely to approve any reorganization plan proposed by the hotel management. At that time, the hotel will be declared insolvent with the consequence that liquidation proceedings will apply.
Outcome	piecemeal sale	Very few companies continue operating as a going concern after insolvency proceedings. The most likely outcome is that the hotel's assets will be sold piecemeal in order to satisfy its creditors.
Time (in years)	1.5	It will take approximately 18 months to complete all the proceedings. The Bizbank's foreclosure attempt and the Mirage's attempt at reorganization will take around 6 months. Liquidation proceedings will take around 12 months.
Cost (% of estate)	15.0	The total cost would amount to 15% of the value of the hotel. The main expenses include attorneys' fees - 5%, remuneration of the insolvency representative - 2%, auctioneer's fees and auction rates - 3%, as well as fees of other professionals involved in the insolvency proceedings, such as accountants and assessors - 5%.
Recovery rate (cents on the dollar)		38.9

## Details - Resolving Insolvency in Kazakhstan - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>15.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>3.0</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>6.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>2.0</b>
Which creditors vote on the proposed reorganization plan?	(b) Only creditors whose rights are affected by the proposed plan	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
<b>Creditor participation index (0-4)</b>		<b>4.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Labor Market Regulation

*Doing Business* presents detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

#### Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Labor Market Regulation - Kazakhstan

## Details - Labor Market Regulation in Kazakhstan

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	87.2
Ratio of minimum wage to value added per worker	0.1
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	50.0
Premium for work on weekly rest day (% of hourly pay)	50.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	18.0
Paid annual leave for a worker with 5 years of tenure (working days)	18.0
Paid annual leave for a worker with 10 years of tenure (working days)	18.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	18.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	4.3

Severance pay for redundancy dismissal for a worker with 5 years of tenure	4.3
Severance pay for redundancy dismissal for a worker with 10 years of tenure	4.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
<b>Job quality</b>	
Equal remuneration for work of equal value?	No
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	126.0
Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	0.0

## Business Reforms in Kazakhstan

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2019

- ✓ **Starting a Business:** Kazakhstan made starting a business easier by reducing the time required for value added tax registration.
- ✓ **Trading across Borders:** Kazakhstan made trading across borders easier by introducing an electronic customs declaration system, ASTANA-1 IS, as well as reducing customs administrative fees.
- ✓ **Enforcing Contracts:** Kazakhstan made enforcing contracts easier by making judgments rendered at all levels in commercial cases publicly available and publishing performance measurement reports on local commercial courts.

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DB2018

- ✓ **Registering Property:** Kazakhstan made it easier to transfer a property by improving transparency and the land administration system's dispute resolution mechanisms.
- ✓ **Getting Credit:** Kazakhstan strengthened access to credit by allowing granting a nonpossessory security right in a single category of movable assets without requiring their specific description, and allowing general description of debts and obligations in the collateral agreement and in registration documents.
- ✓ **Protecting Minority Investors:** Kazakhstan strengthened minority investor protections by increasing shareholder rights and role in major corporate decisions, clarifying ownership and control structures, requiring greater corporate transparency and allowing greater access to corporate information during trial.
- ✓ **Enforcing Contracts:** Kazakhstan made enforcing contracts easier by introducing additional time standards for key court events that are respected in the majority of cases.

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DB2017

- ✓ **Starting a Business:** Kazakhstan simplified the process of starting a business by abolishing the requirement to notarize company documents and founders' signatures.
- ✓ **Dealing with Construction Permits:** Kazakhstan made dealing with construction permits easier by introducing a single window and streamlining procedures.
- ✓ **Getting Electricity:** Kazakhstan streamlined the process of obtaining an electricity connection by eliminating the need for an official excavation permit and an inspection by the State Energy Supervision Committee. Kazakhstan also reduced the time needed to fulfill utility technical requirements and to sign supply contracts. The reliability of the power supply in Kazakhstan was also improved following the establishment of normative levels for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI).
- ✓ **Protecting Minority Investors:** Kazakhstan strengthened minority investor protections by introducing greater requirements for immediate disclosure of related-party transactions to the public, increasing shareholder rights and role in major corporate decisions, clarifying ownership and control structures and requiring greater corporate transparency.
- ✓ **Trading across Borders:** Kazakhstan made exporting less costly by removing two export documents required for customs clearance.
- ✓ **Enforcing Contracts:** Kazakhstan made enforcing contracts easier by adopting a new code of civil procedure and by regulating the maximum number of adjournments that can be granted by a judge in a given case.
- ✓ **Resolving Insolvency:** Kazakhstan made resolving insolvency easier by changing voting procedures for reorganization plans and providing protections to creditors who vote against such plans. Additionally, creditors were granted greater access to information about the debtor during insolvency proceedings and allowed to challenge decisions affecting their rights.

**Labor Market Regulation:** Kazakhstan adopted a new labor code that decreased the wage premium for work on weekly holidays, eliminated the requirement to reassign employees before making them redundant, extended the maximum duration of probationary periods and introduced mandatory out-of-court mediation procedures before parties can file claims in court.

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DB2016

- ✓ **Starting a Business:** Kazakhstan made starting a business simpler by eliminating registration fees for small and medium-size firms, shortening registration times and eliminating the legal requirement to use a company seal.
- ✓ **Dealing with Construction Permits:** Kazakhstan made dealing with construction permits easier by eliminating the requirement to obtain a topographic survey of the land plot.
- ✓ **Registering Property:** Kazakhstan made transferring property easier by eliminating the requirement to obtain a technical passport for the transfer and to have the seller's and buyer's incorporation documents notarized.
- ✓ **Getting Credit:** Kazakhstan improved access to credit by adopting a new law on secured transactions allowing a general description of a combined category of assets granted as collateral.
- ✓ **Protecting Minority Investors:** Kazakhstan strengthened minority investor protections through new provisions requiring both immediate disclosure of related-party transactions and detailed disclosure in annual financial statements; expanding the way evidence can be obtained at trial; requiring that a change in the rights associated with shares be subject to approval by a vote of two-thirds of the affected shares; prohibiting subsidiaries from acquiring shares issued by their parent company; and requiring disclosure of information about board members' other directorships as well as their primary employment.
- ✓ **Enforcing Contracts:** Kazakhstan made enforcing contracts easier by introducing a simplified fast-track procedure for small claims and by streamlining the rules for enforcement proceedings.
- ✓ **Resolving Insolvency:** Kazakhstan made resolving insolvency easier by allowing creditors to initiate reorganization proceedings and encouraging sales of assets as a going concern. Kazakhstan also improved its bankruptcy regime, by explicitly authorizing post-commencement finance and granting it priority over existing unsecured claims.

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DB2015

- ✓ **Registering Property:** Kazakhstan made registering property easier by introducing effective time limits and an expedited procedure.
- ✗ **Paying Taxes:** Kazakhstan made paying taxes more complicated for companies by introducing a mandatory contribution to the National Chamber of Entrepreneurs and by increasing the vehicle and environmental taxes.
- ✓ **Trading across Borders:** Kazakhstan made trading across borders easier by opening a new border station and railway link that helped reduce congestion at the border with China.
- ✓ **Enforcing Contracts:** Kazakhstan made enforcing contracts easier by introducing an electronic filing system for court users.
- ✓ **Resolving Insolvency:** Kazakhstan made resolving insolvency easier by clarifying and simplifying provisions on liquidation and reorganization, introducing the concept of creditors' meetings, expanding the rights of creditors during insolvency proceedings, authorizing payment in kind to secured creditors and clarifying the process for submitting creditors' claims.

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DB2014

- ✓ **Starting a Business:** Kazakhstan made starting a business easier by reducing the time it takes to register a company at the Public Registration Center.
- ✓ **Registering Property:** Kazakhstan made it easier to transfer property by introducing a fast-track procedure for property registration.

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DB2013

- ✓ **Starting a Business:** Kazakhstan made starting a business easier by eliminating the requirement to pay in minimum capital within 3 months after incorporation.
- ✓ **Getting Credit:** Kazakhstan strengthened secured creditor rights by introducing new grounds for relief from an automatic stay during rehabilitation proceedings.
- ✓ **Resolving Insolvency:** Kazakhstan strengthened its insolvency process by introducing an accelerated rehabilitation proceeding, extending the period for rehabilitation, expanding the powers of and improving qualification requirements for insolvency administrators, changing requirements for bankruptcy filings, extending the rights of creditors, changing regulations related to the continuation of operations, introducing a time limit for adopting a rehabilitation plan and adding court supervision requirements.

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DB2012

- ✓ **Protecting Minority Investors:** Kazakhstan strengthened investor protections by regulating the approval of transactions between interested parties and making it easier to sue directors in cases of prejudicial transactions between interested parties.

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DB2011

- ✓ **Starting a Business:** Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized.
- ✓ **Dealing with Construction Permits:** Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities.
- ✓ **Protecting Minority Investors:** Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports.
- ✓ **Trading across Borders:** Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.

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DB2010

- ✓ **Starting a Business:** Kazakhstan made starting a business easier by simplifying documentation requirements and eliminating the requirement to register at the local tax office.
- ✓ **Dealing with Construction Permits:** Kazakhstan made dealing with construction permits easier by eliminating the requirement to pay for a new electrical connection, tightening time limits for the issuance of building permits and reducing the cost of topographic surveys.
- ✓ **Paying Taxes:** Kazakhstan made paying taxes less costly for companies by reducing social tax rates and the corporate income tax rate.

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DB2009

- ✓ **Registering Property:** Kazakhstan made transferring property easier and less time consuming through a new law creating a unified registry for all land and buildings and introducing public service centers as competent authorities for property transactions.
- ✓ **Getting Credit:** Kazakhstan's private credit bureau increased its sources of credit information by adding retailers such as furniture companies and utilities such as the gas company.

**Labor Market Regulation:** Kazakhstan increased paid annual leave and also introduced a reassignment obligation applicable in cases of redundancy dismissals.

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DB2008

- ✓ **Paying Taxes:** Kazakhstan lowered the sanctions imposed on companies for late payment of taxes.

*Doing Business 2019* is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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