Oil and gas regulation in Kazakhstan: overview

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A Q&A guide to oil and gas regulation in Kazakhstan.

This Q&A gives a high level overview of the domestic oil and gas sector, rights to oil and gas, health safety and the environment, sale and trade in oil and gas, tax and enforcement of regulation. It covers transfer of rights; transportation by pipeline; environmental impact assessments; decommissioning; waste regulations and proposals for reform.

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Domestic sector

1. Describe the domestic sector and policy for oil and gas, including liquefied natural gas (LNG).

Domestic industrial production

Oil and gas exploitation is the backbone of the Kazakh economy. Kazakhstan is one of the top 20 producers in the world with aspirations of becoming one of the world's top ten producers by 2020. To achieve this, there have been significant improvements to the existing network of oil and gas pipelines, promoting international trade and co-operation in the energy markets to further strengthen the emerging market economy.

Oil. Kazakhstan has estimated proven reserves of roughly 30 billion barrels of crude oil, or almost 3% of global reserves and is the second largest oil producer among the former Soviet states. In the first 11 months of 2012, Kazakhstan produced approximately 61 million tonnes of oil. It is forecasted that by 2020 Kazakhstan's oil production will increase up to 140 million tonnes per year.

Over 90% of Kazakhstan's oil deposits can be found in just 15 fields: Karachaganak, Uzen, Zhetybay, Zhanazhol, Kalamkas, Kenkiyak, Karazhanbas, Kumkol, North Buzachi, Alibekmola, Central and East Prova, Kenby and Korolevskoye. The largest two fields Kashagan and Tengiz hold about half of the total deposits (Tengiz itself accounts for nearly a third of the total production). Most of the production fields are to be found in the north west of the country, in the Atyrau, Aktobe, West-Kazakhstan and Mangistau regions.

Gas and LNG. Kazakhstan has abundant natural gas reserves, the bulk of these being comprised of associated gas. Kazakhstan has some of the largest gas reserves in the world, with 45.7 trillion cubic feet of proven natural gas reserves. As the gas is associated gas, the reserves are found in the major oil fields, with Tengiz and Karachaganak accounting for 20% and 45% of total production respectively. However, significant amounts of the extracted gas are re-injected to aid in the oil production process.

The import/export market

Recent figures indicate that the oil and gas market makes up almost one third of the local Gross Domestic Product and almost two thirds of total exports. Assets held in Kazakhstan's National Fund stand at around US$60 billion. Over the past decade the level of turnover of foreign trade has increased eightfold and now stands at roughly US$130 billion per year.

Oil.

Kazakhstan is one of the world's major exporters of light sweet crude oil, with annual exports amounting to 1.4million bbl/d. Recent Ministry of Finance figures show that of all of Kazakhstan's foreign investors, Italy is the largest recipient of oil and gas condensate. Other notable importers are China, the Netherlands, France and Austria. The historic reliance on the old Soviet pipelines, which, since the collapse of the Soviet Union have been controlled by Russia, is gradually coming to an end and with it, Russia's total control over Kazakhstan's exports. Infrastructure improvements have largely been responsible for this, with crude being sent via the Atyrau-Samara oil pipeline to the Black Sea. Azerbaijan and Turkey provide access to the Mediterranean, by barge and the Baku-Tbilisi-Ceyhan pipeline. Exports to Georgia are sent by barge and train, whilst China is served by the Kazakhstan-China oil pipeline.

Gas and LNG. Gas produced in Kazakhstan is destined for both home and foreign markets, with around 52% going to Russia and 48% to Ukraine (0.2% is sold to Germany). China and Iran are viewed as potential export markets for the future. Imports of natural gas mainly come from Uzbekistan, Turkmenistan and Russia.

As gas production increases, the need to develop new exportation routes emerges. A vital role in making Kazakhstan an important transit country for natural gas exports from Uzbekistan and Turkmenistan to Russia and China are pipelines such as the:

- Central Asia Centre.
- Bukhara-Ural.
- Tashkent-Bishkek-Almaty.
- Turkmenistan-China.

Kazakhstan is also looking to interconnect all its regions in a single, comprehensive domestic natural gas system.

Domestic market structure

Alongside a push to increase the overall production and export of oil and gas, the Government is also keen to ensure that the country's internal energy needs are met.

Kazakhstan's state assets are held by the Sovereign Wealth Fund Samruk-Kazyna. The Fund was established to improve competitiveness and sustainability in the national economy and is controlled by the Kazakh government. It is invariably a shareholder in all entities that own strategic assets in Kazakhstan and encompasses all investment and innovative development institutions, as well as holding interests in the local major banks and national companies.

The final major player in the Kazakh oil and gas sector is the JSC National Company, KazMunayGas, an integrated oil and gas company that seeks to maximise the benefits for the state from its participation in the development of the oil and gas sectors by ensuring the protection of state interests and participating in every stage of the production cycle, from exploration and development all the way through to distribution and servicing.

Government policy objectives

A significant body of legislation has been drawn up to promote foreign investment in Kazakhstan. See *Question 2*.

The Government intends to:

- Promote energy independence and security.
- Provide a clean energy supply.
- Increase the efficiency of the distribution of petroleum and related products throughout Kazakhstan.

Current market trends

The past two decades have seen Kazakhstan develop into a leading oil producer, generating triple the volume of oil and gas condensate produced in the pre-independence era. According to industry analysts, Kazakhstan's planned expansion of oil production, coupled with the development of new oil fields and the expansion of existing fields will allow for the production of 2 million barrels per day by 2015, propelling Kazakhstan into the world's top ten oil producing nations.

2. What percentage of domestic energy needs is met by oil and gas?

About 70% of Kazakhstan's energy needs are met by coal. Oil and gas account for only about 5% of domestic electricity needs, as the bulk of the total production is dedicated to export.

Regulation

Regulatory bodies

3. Who regulates the extraction of oil and gas?

The Ministry of Oil and Gas of the Kazakhstan Republic is the governmental body responsible for developing and overseeing the oil, gas and petrochemical sectors. It prepares tenders for the grant of rights to develop reserves, represents the state in negotiations, executes hydrocarbon contracts (based on production sharing contract structures before 2009 and concession contracts currently), approves work programmes, approves the assignment of rights over subsurface use rights, as well as amending, suspending or terminating contracts as necessary

The Ministry of Economic Development and Trade of the Kazakhstan Republic is responsible for economic development, investments (both public companies and foreign investors), economic relations and sustainable development.

The Ministry of Environment and Water Resources is responsible for overseeing compliance with any environmental requirements resulting from oil and gas operations, alongside the Ministry of Health and Ministry on Emergency Situations. Local authorities are responsible for the grant of land use rights and general oversight of the use and protection of land, water and the environment.

The regulatory regime

4. Describe the regulatory regime that applies to oil and gas exploration and production, including the key legislation and features of the regime.

The Subsurface Law is the key piece of legislation governing the exploration and production of oil and gas reserves. This law is responsible for regulating the entirety of upstream oil and gas activities, from the granting of subsurface use rights, to the rights and obligations of subsurface users. The law sets out the conditions for the sale or transfer of subsurface use rights, as well as the abandonment and reclamation of petroleum operations. Subsurface use rights are granted by entering into concession contracts with the Ministry of Oil and Gas.

The Gas Law, adopted in 2012, provides additional regulation of the gas industry by establishing a state-wide unified system for gas supply and setting conditions for the fulfilment of internal gas requirements and the implementation of state policy in respect of associated gas.

The Government has also passed a number of laws to promote foreign investment, for example:

- The Law on Investments establishes a single investment regime for both foreign and domestic investors, and also provides for the national treatment and non-discrimination of foreign investors.
- A new customs code, tax code and a law on government procurement provides for non-expropriation, currency convertibility, transparency in government procurement and the incentivisation of certain sectors whilst providing a guarantee of legal stability.
- Law on State Regulation of Production and Turnover of certain types of Oil Products. This compels upstream producers to supply a requisite amount of oil to the domestic market rather than allowing total production to be exported to more lucrative markets.
- Law on Gas and Gas Supply which aims to prioritise the supply of commercial and LPG to the home market.
- Law on Subsoil and Subsoil Use which grants the state a right of pre-emption over shares in oil and gas/mining operations where there are new exploration and production projects. This law is intended to create transparent procedures for when the state or companies can exercise subsurface rights and clearly lays out just when the state is entitled to exercise its right of pre-emption.

Rights to oil and gas

Ownership

5. How are rights to oil and gas held, and who holds those rights?

Under Kazakh law the subsurface and the minerals found within it are deemed to be the property of the state. Mineral rights are held separately from land, with the mineral rights being granted under a concession agreement with the competent authority. Any oil and gas extracted under such an agreement belongs to the subsurface user, with a few exceptions (for example, that associated gas is the property of the state unless otherwise agreed in the concession agreement).

The bulk of oil and gas reserves are privately held by the state, through KazMunayGas, holding proved reserves of 122.1 million tonnes (902 million barrels) or approximately 40% of total reserves. The Chinese are believed to hold 40% of total oil and gas reserves, through various concession arrangements with Dutch, British, American, Chinese and Russian entities holding the remainder.

Nature of oil and gas rights

6. What are the key features of the leases, licences or concessions which are issued under the regulatory regime? Can these rights be leased by the right-holder?

The current subsurface contract model is based on service contracts. Contracts are generally awarded on an exploration or a production basis. Occasionally they can be awarded for both. A handful of production-sharing agreements (PSAs) are also in operation, although these all date from before 2009. New PSAs are no longer entered into.

It is not uncommon for the service contracts to contain obligations on the subsurface user to the benefit of the state, among these are that:

- The requirements that certain financial and work programme obligations are met.
- There is investment in local communities.
- An abandonment fund is created.
- Local products and services are met.
- Local personnel are hired and trained.

Lease/licence/concession term

Onshore and offshore exploration contracts are granted for a period of up to six years, with a potential to be extended to appraisal for any discoveries and future development and production. Offshore exploration contracts may also be extended for an additional two years even without discovery.

On the occurrence of commercial discovery, negotiations begin with the state oil company to secure a production contract and, once entered into, the contracts are concluded for the period required for the depletion of any mineral reserves, subject to a 25-year limit, (45 years for larger or unique deposits). Production contracts can also be further extended by common consent. Combined contracts are only granted for deposits of strategic importance or for complex geological structures.

Fees

In addition to any investment obligations under work programmes, subsurface users are subject to various taxes and other obligatory payments, such as a fixed one-time signature bonus to be paid by the subsurface user to the state as a condition of entering into a subsurface use contract during subsurface use operations.

A commercial discovery bonus is payable for each discovery, based on the actual volume of oil and gas deposits discovered. The rate of the commercial discovery bonus is 0.1% of the calculation base.

Historical cost reimbursements can generally be paid over the life of the production contract and are calculated based on the amounts previously paid to the state for geological exploration within the contracted area. These rates are calculated by reference to the Tax Code.

Fees gathered from the social obligation clauses in the hydrocarbon contracts are used to benefit the local communities where the fields are found. A list of applicable taxes and obligatory payments can be found below at *Question 9*.

Liability

Subsurface users are liable for their own obligations under subsurface use contracts. Where there is a consortium or joint venture, the users are held to be jointly and severally liable. An operator must be appointed and a joint operating agreement that governs their mutual rights and obligations must be entered into.

Kazakh legislation imposes a liability on any operations which cause damage to the environment, people's health, or third-party property owners. Strict liability is imposed for certain situations, for example where damage is caused by petroleum operations conducted offshore, subsurface activities within the 5km "protection zone" along the shoreline of the Caspian Sea or any "source of heightened danger".

If there are more than two breaches of obligations under a subsurface contract or other relevant contract, the subsurface contract can be terminated if the breaches are not rectified within an appropriate time frame, as decided by the Ministry of Oil and Gas.

Restrictions

There are a number of restrictions on subsurface users, as laid down by current legislation, these include:

- Having to obtain approval for the transfer of subsurface use rights or transfer of owner.
- Export quotas for petroleum.
- Having to obtain approval for investment in specific oil and gas infrastructure (acquiring more than 10% in a gas utility company will necessitate the approval of The Agency of the Republic of Kazakhstan on Regulation of Natural Monopolies).
- A ban or restriction on carrying out work in protected areas.

7. How are such leases, licences or concessions awarded?

Subsurface use rights (exploration, production, and exploration and production contracts) are normally awarded after a tendering process. Only KazMunayGas, the state oil company, can obtain oil and gas rights through direct negotiations. The party awarded the tender then enters into a contract with the Ministry of Oil and Gas, which takes the form of a concession contract or service contract (in practice, generally concession contracts). On a commercial discovery being made under an exploration contract, there is no automatic right to being granted a production contract or to securing production rights; however exclusive rights are given to enter into negotiations for a production contract.

Transfer of rights

8. How are oil and gas rights transferred? Are there any restrictions on the disposal of interests?

Exploration and production rights can be transferred by either assignment or by alienation of any direct or indirect interests in a subsurface user. However, any change of control of the subsurface are subject to strict provisions governing the matter. In general, any sale or transfer of rights or interests is subject to the approval of the state as well as the receipt of a waiver of the state's pre-emption rights. Failure to obtain approval may result in the sale or transfer being deemed void.

It is worth noting that there is a two-year moratorium on the transfer of subsurface rights from the date the subsurface use contract is entered into (certain restriction do apply though, such as corporate restructuring or the enforcement of pledges).

Tax

9. What payments, such as taxes or royalties, are payable by oil and gas interest holders to the government?

The following payments and taxes are due under concession contracts:

- Signing bonuses.
- Commercial discovery bonuses.
- Mineral production tax.
- Excess profits tax.
- Rent tax on exports.
- Customs duties on crude oil exports.
- Reimbursement of historical costs.
- General taxes, such as corporate income tax, property tax and VAT.

See also *Question 6, Fees*.

10. Does the government derive any other economic benefits from oil and gas exploration and production?

In addition to the state's rights to the ownership of any associated gas, benefits are also derived from the contractual social obligation payments in subsurface use contracts. These require users to support local communities. The state also benefits through the participation of KazMunayGas in a majority of the significant projects undertaken in Kazakhstan.

11. What taxes and duties apply on import and export of oil and gas?

Oil and gas exports are subject to rent tax, ranging from 0% when the market price for a barrel of crude is US$20 to 32% when the price is at or above US$200.

Oil exports also attract export customs duty, at a rate of US$40 per tonne.

Transportation by pipeline

12. What regulatory requirements apply to the construction and operation of pipelines?

Construction

The Law on Trunk Pipelines (Pipelines Law) regulates the construction of trunk pipelines (pipelines other than infield or connecting pipelines, or distribution pipelines designed for the transportation to end users). Before a trunk pipeline is constructed:

- There must be a consultation with the Government, who holds pre-emption rights to acquire a majority interest in any project.
- Land rights must be obtained.
- A licence for the design and construction of any trunk pipeline must be obtained.

- Various permits and approvals in respect of, for example, environmental, health and industrial safety must be obtained.

Operation

Just as trunk pipelines cannot be owned by individuals or foreign companies, the pipelines must be operated by a Kazakh operator. The operation of any trunk pipeline requires a licence. Additionally, various permits from the controlling authorities are required to operate oil and gas pipelines.

13. Is there a system of third party access to pipelines and other infrastructure?

The Pipelines Law regulates access to oil and oil products' trunk pipelines and compels owners and operators of the main oil pipelines to provide equal access to all parties. If there is insufficient capacity, access is granted by priority:

- The first priority goes to entities supplying oil to domestic oil refineries.
- Second priority goes to the owners of trunk pipelines for the transportation of their own oil and oil products, and to their affiliated entities.

Other ranked priorities are entities that:

- Transport products to satisfy the state's obligations under international treaties or according to governmental decree.
- Invest in the construction of a trunk pipeline (or to increase the capacity of an existing pipeline).
- Fulfil their obligations to supply a minimum mandatory volume of oil or oil products under an agreement with the pipeline owner or operator.
- Supply oil of a specific quality requirement.

The Law on Natural Monopolies and Regulated Markets (including its subordinate legislation) (Monopolies Legislation) governs access to gas trunk pipelines. The Monopolies Legislation exempts construction, operation and the use of facilities intended for an entity's own needs from regulation and establishes the priority order of access to trunk gas pipelines, as described above.

Health, safety and the environment

Health and safety

14. Describe the health and safety regime that applies to oil and gas exploration and extraction, and transportation by pipeline.

The health and safety requirements during the exploration, extraction and transportation stages of oil and gas production are set out in a number of provisions, including the:

- Labour Code.
- Health Code.
- Law on Industrial Safety.
- Law on Safety of Chemical Products.

Health and safety requirements include:

- Approval of the relevant state authorities, including the sanitary and industrial safety authorities, for the design documentation of oil and gas facilities.
- Obtaining a declaration on industrial safety for dangerous facilities, such as oil and gas production and transportation facilities. The declaration must describe any specific dangerous features of the facility in question and include avoidance plans for potential accidents.
- The development, maintenance and regular testing of any emergency prevention and response plans.

- Adoption of various measures designed to protect employees, including regular mandatory medical examinations for any employee exposed to harmful or dangerous working conditions, implementing safety training programmes and providing personal protective gear.
- Obtaining permits to use imported technologies, technical devices and materials (in addition to obtaining the requisite compliance for specific imported goods).
- Sanitary protection zones must be established around industrial facilities to protect the general public. The size of the zone varies depending on the type and scale of a facility.

Environmental impact assessments (EIAs)

15. Is an EIA required before extracting or processing oil and gas?

An EIA must be carried out before the commencement of any activity that might have an impact on the environment. EIAs for the exploration and production of oil and gas must be carried out by the entities holding the relevant applicable licence. EIA reports are subject to assessment and approval by state environmental experts.

16. What are the different stages of the EIA?

The key stages of an EIA are as follows:

- Preliminary EIA. This includes a comparison of the different implementation options of any proposed project and is normally conducted during the development of a feasibility study.
- Full EIA. This includes detailed analyses of any and all potential effects from the proposed activity, together with the development of an environmental protection programme. The EIA must be conducted alongside the preparation of design documentation. Its scope will depend on the classification or scope of activities, as laid out by the Ministry of Environment and Water Resources. In particular, a detailed EIA is required for:
  - oil production in excess of 500 tonnes per day;
  - gas production in excess of 500,000 cubic meters per day; and
  - construction of any pipeline longer than 40km with a diameter in excess of 800mm.
- Development of any technical measures designed to protection the environment is conducted concurrently with the project design documentation (that is, design schemes and drawings).

EIA timings vary from project to project.

Environmental permits

17. Is there a permit regime for environmental damage or emissions produced during the extraction or processing of oil and gas?

Environmental permits must be obtained to conduct any commercial activity involving:

- Emission of air pollutants.
- Discharge of wastewater pollutants.
- Disposal of waste at the company's facilities.

Permits are valid for a period of up to five years and set annual allowable levels of emissions/discharges/disposals for activities laid out in an approved EIA. Emissions are subject to payments based on actual volumes. Emissions in excess of the limits established by an environmental permit or emissions made without a permit are subject to a ten-fold excess emissions rate charge.

Waste

18. What are the regulations on the disposal of waste products resulting from oil or gas extraction or processing?

Companies producing waste must have a waste certificate for each type of waste produced.

Companies disposing of waste at their facilities should also obtain relevant environmental permits for the disposal of such waste. If a third party licensed facility is used to dispose of waste, it will be subject to a civil agreement.

The payment rates for the disposal of waste are subject to the actual volumes concerned and vary from US$0.1 to US$80 per tonne, depending on the nature of the waste.

Flares and vents

19. Are flare and vent regulations in place?

As a general rule, flaring is prohibited. Certain limited exceptions exist, such as flaring in case of:

- An emergency.
- Danger to life or the environment.

Any emergency flaring must be notified to the authorities within ten days. Other exemptions include:

- Well testing and trial production on obtaining a licence.
- Flaring of unavoidable gas in respect of technological equipment subject to permit during:
  - commencement;
  - operation; and
  - maintenance or repair.

There are no specific provisions attached to the venting of associated gas.

Decommissioning

20. What are the decommissioning obligations and liabilities that arise?

According to Subsurface Law, users must dismantle or remove any equipment and property used in connection with subsurface use operations, unless that equipment and property is transferred to another entity in accordance with written approval from the Ministry of Oil and Gas.

The legislation also requires a detailed description of the process for the abandonment, or temporary abandonment, of any facilities used for subsurface use operations after the termination of operations. These facilities must be abandoned in accordance with the design documentation as approved by of the requisite state authorities.

The abandonment process must first be approved by a commission established by the competent authority comprised of representatives from selected state bodies. Abandonment is only considered complete once the commission has signed an act of acceptance.

The financing for abandonment primarily comes from an abandonment fund created by the subsurface user and is a special deposit account, at any bank in Kazakhstan. It ensures that there are funds available for the closure and abandonment of the facilities. The amount payable and the procedures to set up an abandonment fund are laid out in the subsurface use contract.

Sale and trade

21. How is trade in oil and gas usually completed?

Nearly 70 million tonnes of crude oil are exported annually from Kazakhstan in the following proportions:

- 25% to Italy.
- 20% to Russia.

- 16% to China.
- 12.1% to the Netherlands.
- 8% to France.
- 7% to Austria.
- 6% to Switzerland.
- 5% to other destinations.

22. Are oil and gas prices regulated?

Oil export prices are subject to strict transfer pricing rules. These rules cover both exports of oil and oil sales on the domestic market, so long as the sales directly relate to an international transaction, regardless of whether the transaction is carried out between related parties. The tax base can be adjusted if the authorities discover a deviation from the accepted market price range.

Prices can also be affected by the customs union between Kazakhstan, Russia and Belarus. The three countries are currently considering a joint legislative framework for operations within the union (for example, the recently agreed uniform system of tariffs for the transportation of crude oil within the customs union).

Under the 2012 Gas Law, prices for raw and commercial gas are determined by the subsurface user in accordance with the Rules on Determination of Prices for Raw and Commercial Gas to be acquired by the National Operator by Pre-emptive Right of the State. Such prices for raw natural gas are determined based on a cost-plus formula taking into account production and transportation costs and expenses. Additionally, the formula relating to commercial gas takes into account expenses incurred to process the natural gas. In either case, profits from the sale of raw or commercial gas must not exceed 10%. The prices for raw and commercial gas are also liable to review and approval by the Ministry of Oil and Gas.

Enforcement of regulation

23. What are the regulator's enforcement powers?

Orders

The Ministry of Oil and Gas has the right to compel a subsurface user in breach of their contractual obligations to remedy any breach, within a specified time. Should the subsurface user fail to remedy the breach, they may face forfeiture of their contract. The contracts can also be cancelled if the subsurface user neglects to obtain the necessary waivers and consent required to authorise a transfer of subsurface use rights.

The Ministry of Oil and Gas can insist on contractual amendments to restore the position of the state in cases where a subsurface user's actions represent a potential threat to:

- Any strategically important asset.
- The economic interests of the state.
- National security.

The subsurface use contract can also be terminated by the Ministry if the subsurface user fails:

- To enter into negotiations to amend the offending contract within two months of the breach.
- Then fails to agree to any necessary contractual amendments within four months.
- Fails to act on the agreed amendments within six months of the breach.

Nearly all production fields have been designated as being "strategically important" by the Kazakh government.

Fines and penalties

The Administrative Code details the possible penalties for violating the rules for carrying out subsurface use operations and for breaching the terms of any subsurface use contract. Subsurface use contracts also detail the level of fines for failing to comply with specific local social obligations. Ignoring the state's right of pre-emption over the acquisition of raw and/or commercial gas also results in an administrative fine.

24. Is there a right of appeal against the regulator's decisions?

Individuals and other legal entities can appeal the decisions of state bodies, including those of any competent authority. Decisions can be appealed if either:

- The decision would result in the violation of or impede the rights, freedoms and protected interests of individuals and legal entities.
- There was an unlawful imposition of obligations or liabilities on the individual or entity.

Reform

25. Are there plans for changes to the legal and regulatory framework?

The legislation governing the oil and gas industry has been subject to enormous change over the last few years, to reflect the Government's new energy policies.

The adoption of the Subsurface Law in 2010 is regarded as being the catalyst for change in the oil and gas industry and has enabled the Government to press for amendments to hydrocarbon contracts and allow for the protection of the Kazakhstan's national security interests.

Further reform followed in the gas industry by the transfer to the state of the rights to all associated gas, securing a supply of gas and gas products for the local market. This principle has been taken further by the 2012 Gas Law, setting out the exact conditions required for public private partnerships (PPPs) when looking to develop the gas supply infrastructure. The 2012 Gas Law also removes intermediaries from the gas supply chain by requiring gas to be transferred to either a PPP or to the national operator, if so desired by the Ministry of Oil and Gas.

Following on from the adoption of the Gas Law, Kazakhstan's gas infrastructure now falls under the supervision of KazTransGas, the national gas pipeline operator. It has total authority to regulate and effectively control the gas infrastructure in Kazakhstan, as well as holding a pre-emptive right to purchase commercial gas and related infrastructure on behalf of the state.

The regulatory authority

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Main responsibilities. The regulator overseeing the exploration and production of oil and gas:

- Prepares tenders for the grant of rights for development of oil and gas reserves.
- Represents the state in negotiations.
- Signs hydrocarbon contracts.
- Approves work programmes.
- Approves assignments of rights and pledges over subsurface use rights.
- Amends, suspends or terminates contracts.

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Online resources

Embassy of the Republic of Kazakhstan

W www.kazembassy.org.uk/legislation_of_kazakhstan.html

Description. The website of the Embassy of the Republic of Kazakhstan provides links to all the legislation referenced in this article.

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