

# On State Regulation of Manufacturing and Turnover of Specific Types of Oil Products

Unofficial translation

The Law of the Republic of Kazakhstan dated 20 July, 2011 No. 463-IV.

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This Law regulates the social relations, arising during the manufacturing and turnover of specific types of oil products: petrol, aviation and diesel fuel, fuel oil.

## Article 1. Basic definitions, used in this Law

1) a filling station - a technological complex and equipment for the storage and retail sale of petroleum products equipped with metering devices.

The types of filling stations are as follows: stationary - with underground or above-ground placement of tanks for fueling vehicles through fuel dispensers;

container-type - with above-ground placement of tanks for the storage of petroleum products, its technological system is characterized by the placement of fuel dispensers inside a container for storing petroleum products, which is made as a single factory-made product;

mobile - with the placement of a tank and fuel dispenser on the chassis of a vehicle, trailer, semitrailer, which are made as a single factory-made product;

2) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication);

3) a personal identification code-number - a permanent identification number, that shall be assigned by oil products manufacturers, wholesale suppliers of oil products, carrying out import of oil products, and every name of oil product, manufactured in the Republic of Kazakhstan or imported in the territory of the Republic of Kazakhstan, required for indicating a type, trade mark of oil products in accompanying note and declaration on turnover of oil products;

4) metering devices - technical devices measuring quantitative and qualitative characteristics of petroleum products intended for keeping record for subsequent online transfer of the data of metering devices via the operator in the field of manufacturing and turnover of petroleum products to the authorized agency in the field of the turnover of petroleum products through the automated information system on the volumes of manufacturing and (or) turnover of petroleum products, which are installed at production facilities of producers of petroleum products, and filling stations (except for mobile ones), approved for use in accordance with the Legislation of the Republic of Kazakhstan in the field of uniformity of measurements;

5) an investment program - a program of investment and return of the funds, directed on establishment, modernization and reconstruction of existed manufacturing capacities of oil products manufacturers, for a definite period in order to receive the planned technical-and-economic effect, consisting of economic indices, including investment components, that have an effect on a price of oil products;

6) compounding - a blending of two or more components, including introduction of additions, admixtures in order to receive the oil products of program quality;

6-1) intermediate products - products of crude oil and gas condensate processing, which may be used for further processing by a producer of petroleum products (except for a low capacity producer of petroleum products);

7) off-spec petroleum product- a petroleum product that does not meet the requirements of regulatory technical documents and standardization documents;

8) a low power manufacturer of oil products - an oil products manufacturer, carrying out the oil products manufacturing on the process installations, designed capacity of which shall provide refining output of the crude oil and (or) gascondensate of less than eight thousand tons annually;

9) an oil supplier - an individual or legal entity, supplying the crude oil and (or) gascondensate to oil products manufacturer, as well as to oil refinery plants, located beyond the boundaries of the Republic of Kazakhstan, produced and received by the Republic of Kazakhstan on an independent basis in the capacity of taxes, paid in kind, in accordance with the tax legislation of the Republic of Kazakhstan, imported or acquired directly from a subsoil user, on conditions, established by this Law;



- 10) oil products –specific types of oil products: petrol, aviation and diesel fuel, fuel oil;
- 11) delivery plan of oil products – a volume of monthly demands of regions, cities of republican significance and capital for oil products, manufactured in the Republic of Kazakhstan;
- 11-1) single operator for the supply of petroleum products – a legal entity appointed by the Government of the Republic of Kazakhstan to provide the Armed Forces of the Republic of Kazakhstan, the Border Guard Service of the National Security Committee of the Republic of Kazakhstan, the National Guard of the Republic of Kazakhstan, the authorized body in the field of civil protection, the authorized body in the field of state material reserves with petroleum products, as well as providing them with services for the storage and delivery of petroleum products;
- 12) retail trade of oil products – an entrepreneurial activity on oil products sales to individuals and legal entities for own requirements without intention of the following sales;
- 13) retailer of petroleum products – an individual entrepreneur or a legal entity that purchases petroleum products for further retail sale;
- 14) wholesale supplier of petroleum products – an individual entrepreneur or a legal entity that purchases petroleum products from producers of petroleum products, petroleum suppliers and (or) importers for further sale;
- 14-1) importer – an individual entrepreneur or legal entity that brings in (and also imports) its own petroleum products in the Republic of Kazakhstan for further sale;
- 15) wholesale trade in petroleum products – entrepreneurial activity on the sale of petroleum products by producers of petroleum products, petroleum suppliers, wholesale suppliers of petroleum products, importers for further sale;
- 16) manufacturing of oil products – a set of operations for processing crude oil and (or) gas condensate, and (or) intermediate products, and also for compounding to ensure the production of petroleum products;
- 17) minimum manufacturing volume of oil products – a volume of oil products, not less of which, an oil products manufacturer shall be obliged to manufacture every month within a calendar year;
- 18) monitoring of oil products manufacturing and sales –analysis of requirements, processes of manufacturing, sales, transporting, as well as behavior of wholesale and retail prices for oil products;
- 19) authorized body in the scope of oil products manufacturing – a central executive body, carrying out management in the scope of state regulation of oil products manufacturing;
- 20) producer of petroleum products – a legal entity that owns an oil refinery and (or) otherwise legally possesses it and manufactures petroleum products in accordance with its production certificate, and also sells its own petroleum products manufactured by it and (or) delivers petroleum products manufactured from customer-provided raw materials;
- 21) turnover of oil products – an acquisition, storage, wholesale and retail trade, shipment, transporting, export and import of oil products;
- 22) authorized body in the scope of turnover of oil products – a central executive body, carrying out management in the scope of state regulation of turnover of oil products;
- 23) oil depot – a oil of buildings and structures, including technological equipment, tank farm, technical devices and communications designed for receiving, storing, shipping and selling petroleum products;
- 24) common database on manufacturing and turnover of oil products –electronic database on manufacturing and turnover of oil products, forming on the basis of administrative data of government bodies, carrying out state regulation of manufacturing and turnover of oil products within their competence;
- 24-1) data of metering devices in the field of manufacturing and turnover of petroleum products – data on the volumes of manufacturing and turnover of petroleum products;
- 24-2) the operator of the data of metering devices in the field of manufacturing and turnover of petroleum products – a legal entity appointed by the Government of the Republic of Kazakhstan to provide automated online transfer of the data of metering devices to the authorized body and its territorial subdivisions;
- 24-3) the production facility of a producer of petroleum products – a group of buildings and structures including technological equipment, a tank farm, oil loading racks, technical devices and communications designed to receive crude oil and/or gas condensate, produce, store, discharge, fill, pump, transport, ship and sell petroleum products meeting the requirements of the legislation of the Republic of Kazakhstan in the field of technical regulation;
- 25) manufacture passport – a standard document, reflecting capacity indicators of oil products manufacturer, his (her) principal characteristics, regulating use of available equipment for compliance with manufacturing processes;
- 26) reservoir – a tank for oil products storage at base or at a production facility of petroleum product producer;

27) notification of the authorized body in the field of the turnover of petroleum products - a written message sent as a hard copy or electronically by the authorized body in the field of the turnover of petroleum products and (or) its territorial subdivisions to a producer of petroleum products, petroleum supplier, importer, wholesale supplier of petroleum products or retailer of petroleum products concerning the elimination of violations revealed as a result of an in-house audit in the field of state regulation of manufacturing and turnover of petroleum products;

28) end user - natural and legal persons that purchase petroleum products with no intent to sell them on.

Footnote. Article 1 as amended by the Laws of the Republic of Kazakhstan dated 22.06.2012 No. 21-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 04.07.2014 № 233-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 03.12.2015 № 432-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2016 № 26-VI (shall be enforced from 01.01.2017); dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018); dated 05.10.2018 No. 184-VI (shall be enforced upon expiry of six months after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 2. Legislation of the Republic of Kazakhstan on state regulation of manufacturing and turnover of specific types of petroleum products

Footnote. The title of Article 2 as amended by the Law of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016).

1. The legislation of the Republic of Kazakhstan on state regulation of manufacturing and turnover of oil products shall be based on the Constitution of the Republic of Kazakhstan and consists of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If the international treaty ratified by the Republic of Kazakhstan establishes the other rules, than those provided by this Law, the rules of international treaty shall be applied.

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016).

## Article 3. Scope of application of this Law

1. This Law shall have an effect on the territory of the Republic of Kazakhstan and extend to relations in the scope of manufacturing and turnover of oil products.

2. Validity of this Law shall not extend to relations:

1) arising upon the oil products sales by individuals and (or) legal entities not for the purpose of entrepreneurial activity;

2) in regards to petroleum products manufacturing, arising within the frames of mobilization training, mobilization;

3) arising from the sale of petroleum products by a single operator for the supply of petroleum products to the Armed Forces of the Republic of Kazakhstan, the Border Service of the National Security Committee of the Republic of Kazakhstan, the National Guard of the Republic of Kazakhstan, an authorized body in the field of civil protection, an authorized body in the field of state material reserve.

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 30.12.2019 No. 297-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## Article 4. State regulation of manufacturing and turnover of oil products

The state regulation of manufacturing and turnover of oil products shall be carried out by:

1) confirmation of delivery schedule of the crude oil and (or) gas condensate for subsoil users to oil products manufacturers for meeting requirements of the local market of the Republic of Kazakhstan;

2) approval of plans for oil and intermediate products processing and supplies of petroleum products;

3) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication);

4) establishment of conditions and restrictions on carrying out a wholesale and retail trade of oil products;

5) technical regulation and standardization in the scope of manufacturing and turnover of oil products;

6) carrying out of state control in the scope of manufacturing and turnover of oil products;

7) establishment of limit prices for retail trade of oil products, on which a state price regulation is established;

8) carrying out of the monitoring of oil products manufacturing and sales;

9) fulfillment of international obligations of the Republic of Kazakhstan in the part of regulation of manufacturing and turnover of oil products, carrying out of cooperation with bodies of foreign states and international organizations, authorized to regulate questions of manufacturing and turnover of oil products.

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.10.2018 No. 184-VI (shall be enforced upon expiry of six months after its first official publication).

## Article 5. Objectives and goals of state regulation of manufacturing and turnover of oil products

1. Objectives of state regulation of manufacturing and turnover of oil products shall be provision of economic security of the Republic of Kazakhstan, satisfaction of customer demands in the qualitative and safety oil products for environment and public health.

2. Goals of the state regulation of manufacturing and turnover of oil products shall be:

1) protection of life and health of a human and environmental protection;

2) protection of economic interests of the Republic of Kazakhstan, as well as arrangement of conditions, excluding illegal manufacturing and turnover of oil products;

3) improvement of quality of oil products, manufactured in the Republic of Kazakhstan;

4) arrangement of conditions, securing modernization of refining capacities of oil products manufacturers.

## Article 6. Competence of the Government of the Republic of Kazakhstan

The Government of the Republic of Kazakhstan shall:

1) develop principal directions of a state policy in the scope of state regulation of manufacturing and turnover of oil products and organize their sales;

2) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication);

3) – 12) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);

12-1) appoint the single operator for the supply of petroleum products;

12-2) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);

12-3) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);

12-4) is excluded by the Law of the Republic of Kazakhstan dated 03.12.2015 № 432-V (shall be enforced from 01.01.2016);

12-5) appoint an operator of the data of metering devices in the field of manufacturing and turnover of petroleum products;

12-6) is excluded by the Law of the Republic of Kazakhstan dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

13) fulfill the other functions, assigned on it by the Constitution, this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 04.07.2014 № 233-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 03.12.2015 № 432-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 7. Competence of an authorized body in the scope of oil products manufacturing

An authorized body in the scope of oil products manufacturing shall:

1) realize a state policy in the scope of state regulation of oil products within its competence;

2) develop and confirm the form of manufacture passport, including information for its confirmation;

2-1) approve a production certificate for producers of petroleum products;

3) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);

4) annually confirm the preventive maintenance schedules of processing installations of oil products manufacturers in recognition of spring farm and harvest works and heating season;

- 5) develop and approve the procedure for monitoring petroleum products manufacturing and sale;
- 6) is excluded by the Law of the Republic of Kazakhstan dated 13.01.2014 № 159-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);
- 7) carry out state control in the scope of oil products manufacturing;
- 8) confirm investment programs of the oil products manufacturers, with the exception of low power manufacturers of oil products;
- 9) develop and approve a list of petroleum products subject to the state price regulation;
- 10) annually approve plans for oil and intermediate products processing;
- 11) monthly confirm delivery plans of certain types of oil products;
- 12) confirm delivery schedule of the crude oil and (or) gas condensate for subsoil users to oil products manufacturers, as well as to oil refinery plants, located beyond the boundaries of the Republic of Kazakhstan, for meeting requirements of the local market of the Republic of Kazakhstan;
- 12-1) develop and approve a list of intermediate products in coordination with the authorized body in the field of the turnover of petroleum products;
- 13) develop and present the proposals on taking the actions of customs tariff and non-tariff regulation in respect of export and (or) import of oil products;
- 14) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication);
- 14-1) within its competence, for the formation and maintenance of a single database on petroleum products manufacturing and turnover, provide the authorized body in the field of the turnover of petroleum products with information on actual daily volumes of production, sale (shipment) and remains of petroleum products by types and by producers of petroleum products, petroleum suppliers (on the volumes of sale (shipment) and on the remains of petroleum products), importers (on the volumes of imports) in accordance with the procedure provided for by subparagraph 3) of article 8 of this Law;
- 14-2) within its competence, submit to the authorized body in the field of the turnover of petroleum products approved (also corrective) annual plans for petroleum processing, monthly schedules of petroleum, transportation to all petroleum refineries (including those located outside the Republic of Kazakhstan) by petroleum suppliers (subsoil users), monthly plans (schedules of) for petroleum suppliers' delivery of petroleum products to the regions of the Republic of Kazakhstan;
- 15) set ceiling prices for the retail sale of petroleum products subject to the state price regulation;
- 16) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication);
- 17) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015);
- 18) develop and approve the procedure for admitting petroleum suppliers to the processing of crude oil and (or) gas condensate and (or) intermediate products;
- 19) conduct departmental statistical monitoring in the scope of manufacturing and sales of oil products in accordance with a plan of statistical efforts;
- 20) carry out administrative accounting in the scope of manufacturing and sales of oil products on the forms, coordinated with an authorized body in the scope of state statistics;
- 21) determine the minimal manufacturing volumes of oil products;
- 21-1) develop and approve the rules for the delivery of petroleum products by the single operator for the supply of petroleum products to the Armed Forces of the Republic of Kazakhstan, the Border Guard Service of the National Security Committee of the Republic of Kazakhstan, the National Guard of the Republic of Kazakhstan, the authorized body in the field of civil protection, the authorized body in the field of state material reserves;
- 21-2) develop and approve the list of petroleum products delivered by the single operator for the supply of petroleum products to the Armed Forces of the Republic of Kazakhstan, the Border Guard Service of the National Security Committee of the Republic of Kazakhstan, the National Guard of the Republic of Kazakhstan, the authorized body in the field of civil protection, the authorized body in the field of state material reserves;
- 21-3) develop and approve the procedure for determining the ceiling price for the retail sale of petroleum products subject to the state price regulation;
- 21-4) develop and approve the procedure for the development and approval of investment programs, as well as reporting on their implementation;
- 21-5) approve technical standards in the field of manufacturing of petroleum products;

21-6) carry out consideration of draft standardization documents within the competence, as well as preparing proposals for development, amendment, revision and cancellation of national, interstate standards, national classifiers of technical and economic information and standardization recommendations for submission to the authorized agency for standardization ;

21-7) develop a procedure for formation of delivery plan of oil products;

22) carry out the other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

Footnote. Article 7 as amended by the Laws of the Republic of Kazakhstan dated 22.06.2012 No. 21-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 13.01.2014 № 159-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 04.07.2014 № 233-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication) dated 05.10.2018 No. 184-VI (shall be enforced upon expiry of six months after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 8. Competence of authorized body in the scope of turnover of oil products

An authorized body in the scope of turnover of oil products shall:

1) realize a state policy in the scope of state regulation of turnover of oil products within its competence;

2) carry out state control in the scope of turnover of oil products;

3) develop and confirm the procedure for formation and maintenance of common database on manufacturing and turnover of oil products;

4) carry out the common database maintenance on manufacturing and turnover of oil products in the manner, prescribed by subparagraph 3) of this Article;

5) carry out an in-house audit of turnover of oil products;

6) develop and approve the rules for documenting, receiving, issuing, accounting, storing and producing dispatch notes;

7) develop and approve the rules for assigning personal identification code numbers;

8) develop and confirm the form of notifications;

9) develop and approve the forms, rules for submitting and drawing up declarations on the turnover of petroleum products;

10) Is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018);

10-1) get approvals for the list of intermediate products submitted by the authorized body in the field of production of petroleum products;

10-2) coordinates the procedure for the wholesale sale of petroleum products through commodity exchanges, submitted by the authorized body in the field of regulation of trade activities;

11) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015);

12) develop and approve the form and rules for maintaining the log of the movement of petroleum products at filling stations and oil depots;

12-1) develop and approve the procedure and requirements to equipping reservoirs of production facilities of producers of oil products, and filling stations (except for mobile ones) with metering devices;

12-2) within its competence, provide for reconciliation to the authorized body in the field of manufacturing petroleum products information on the volumes of manufacturing and turnover of petroleum products from the single database for the manufacturing and turnover of petroleum products;

13) carry out the other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 03.12.2015 № 432-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018); dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018); dated 02.04.2019 No. 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## Article 9. Competence of other government bodies in the scope of state regulation of manufacturing and turnover of oil products

1. An authorized body in the scope of technical regulation and metrology shall:

- 1) carry out state control of compliance with requirements of oil products, established by the technical regulations;
- 2) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);
- 3) carry out the other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

2. Is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

3. The authorized body in the field of industrial safety:

- 1) carry out a state regulation and state control in the scope of commercial security in the process of manufacturing, transporting, storage and sales of oil products;

2) carry out the other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

4. An authorized body in the scope of development of agroindustrial complex shall:

- 1) determine the volumes of oil products, required for delivery to agricultural producers, jointly with the local executive bodies of oblasts;

2) is excluded by the Law of the Republic of Kazakhstan dated 13.01.2014 № 159-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);

3) carry out the analysis of oil products security of agricultural producers and represent its results to authorized body in the scope of oil products manufacturing;

4) carry out the other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and Government of the Republic of Kazakhstan.

Footnote. Article 9 as amended by the Laws of the Republic of Kazakhstan dated 13.01.2014 № 159-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 05.05.2015 № 312-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017) ; dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 10. Competence of local executive bodies of oblasts, cities of republican significance and capital

Local executive bodies of oblasts, cities of republican significance and capital shall:

- 1) make a consumption forecast of oil products within the territory of regions, cities of republican significance and capital, on which a state price regulation is established for the coming calendar year by month;

2) make a consumption forecast of oil products within the territory of oblasts, cities of republican significance and capital for a heating season;

2-1) Is excluded by the Law of the Republic of Kazakhstan dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

3) carry out the other powers, assigned on local executive bodies by the legislation of the Republic of Kazakhstan in the interests of local state administration.

Footnote. Article 10 as amended by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 11. State control of manufacturing and turnover of specific types of oil products

State control of manufacturing and turnover of specific types of oil products shall be carried out in the form of inspection and preventive control in accordance with the Entrepreneurial Code of the Republic of Kazakhstan.

Footnote. Article 11 is in the wording of the Law of the Republic of Kazakhstan dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 11-1. Petroleum supplier

A petroleum supplier is an individual entrepreneur or legal entity supplying a producer of petroleum products, as well as petroleum refineries outside the Republic of Kazakhstan, with crude oil and (or) gas condensate independently extracted, received by the Republic of Kazakhstan as taxes paid in kind in accordance with the tax legislation of the Republic of Kazakhstan, independently brought in (and

also imported) to the Republic of Kazakhstan and (or) purchased directly from subsoil users and (or) from a person who brought in (and also imported) to the Republic of Kazakhstan, and sells petroleum products obtained as a result of processing such petroleum and (or) gas condensate under the terms of this Law.

A petroleum supplier is also an individual entrepreneur or legal entity supplying a producer of petroleum products (except for a low capacity producer of petroleum products) with intermediate products of the processing of crude oil or gas condensate that were purchased from a person who brought them in (and also imported) to the Republic of Kazakhstan, and (or) were obtained by a subsoil user as a result of processing of independently extracted crude oil and (or) gas condensate, and (or) were purchased directly from a subsoil user, who obtained them as a result of processing crude oil and (or) gas condensate independently extracted by it.

Footnote. The Law is supplemented by Article 11-1 in accordance with the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 12. Obligations of oil products manufacturers

### 1. Oil products manufacturers shall:

- 1) carry out the oil products sales under the terms of fairness and non-discrimination, unless otherwise provided by this Law;
- 2) before petroleum products are manufactured, send an application for the assignment of a personal identification code number to the appropriate territorial unit of the authorized body in the field of the turnover of petroleum products in accordance with the rules approved by the authorized body in the field of the turnover of petroleum products;
- 3) produce and carry out a wholesale trade of oil products in recognition with requirements of this Law;
- 4) open a current account in a resident bank of the Republic of Kazakhstan for financing the investment program and carry out intended use of financial means, directed on realization of investment programs;
- 5) submit reports on the implementation of investment programs in accordance with the procedure approved by the authorized body in the field of manufacturing petroleum products;
- 6) present the annual preventive maintenance schedules of processing installations to authorized body in the scope of oil products manufacturing on confirmation and keep to this schedule;
- 7) present the primary statistics or primary administrative data, required for departmental statistical monitoring or administrative accounting to authorized body in the scope of oil products manufacturing;
- 8) provide equal admission conditions to petroleum suppliers for the processing of crude oil and (or) gas condensate and/or intermediate products;
- 9) carry out established minimal volumes of oil products manufacturing.
- 10) purchase, receive for processing crude oil, gas condensate, intermediate products if there are documents confirming their origin and quality (quality passport) in the cases specified in subparagraphs 1) and 2) of paragraph 5 of article 18 of this Law.

2. The obligations, provided in subparagraphs 4), 5), 6), 8) and 9) of paragraph 1 of this Article, shall not extend to low power oil products manufacturers.

### 3. Oil products manufacturers shall be prohibited to:

- 1) sell crude oil and (or) gas condensate, and (or) processed products received (acquired) for the purpose of their processing;
- 2) carry out the manufacturing of petrol and diesel fuel with the use of metallic additions (iron, manganese, lead and others, except for antistatic additions for diesel fuel);
- 2-1) sell and (or) ship off-spec petroleum products;
- 3) use one and the same equipment for oil products manufacturing by two and more oil products manufacturers;
- 4) purchase and also take for processing crude oil and (or) gas condensate, and (or) intermediate products; in the absence of the documents specified in subparagraphs 1) and 2) of paragraph 5 of article 18 of this Law;
- 4-1) manufacture petroleum products without a production certificate approved in accordance with the established procedure;
- 5) abandon the work of processing installations, used for oil products manufacturing, without securing approval of authorized body in the scope of oil products manufacturing, with the exception of immediate prevention of accidental situation where it's necessary.
- 6) manufacture petroleum products without equipping tanks with metering devices or if tanks are equipped with faulty metering devices and (or) metering devices that do not automatically transmit information on the volumes of production of petroleum products to the authorized body in the field of turnover;



7) sell (ship) specific types of petroleum products from the tanks of the production facility of a producer of petroleum products without moving petroleum products via metering devices.

4. Proscription, provided by subparagraph 5) of paragraph 3 of this Article, shall not extend to low power oil products manufacturers.

Footnote. Article 12 as amended by the Laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018).

## Article 13. Requirements, ensuring security in the scope of manufacturing and turnover of oil products

1. Manufacturing and turnover of oil products shall ensure security for life and health of a human and environmental protection in accordance with the legislation of the Republic of Kazakhstan.

2. Objects of technical regulation and standardization in the scope of manufacturing and turnover of oil products shall be the oil products, as well as processes of their manufacturing, storage, transporting, sales, destruction and utilization. 2. Objects of technical regulation and standardization in the scope of manufacturing and turnover of oil products shall be the oil products, as well as processes of their manufacturing, storage, transporting, sales, destruction and utilization.

3. Equipment and technical facilities, used during the manufacturing and turnover of oil products shall comply with requirements of the legislation of the Republic of Kazakhstan in the scope of safety of machinery and equipment, as well as technical regulations.

4. The requirements of the environmental legislation of the Republic of Kazakhstan, as well as the laws of the Republic of Kazakhstan on architectural, town-planning and construction activity, on civil protection shall be met and the risks of emergencies shall be taken into account when designing and constructing facilities for processing, transportation and distribution of petroleum products.

Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 05.10.2018 No. 184-VI (shall be enforced upon expiry of six months after its first official publication).

## Article 14. State price regulation for the oil products

1. In order to ensure economic security in the Republic of Kazakhstan, the state regulation of prices may be introduced for the retail sale of petroleum products of key social significance and also having essential impact on the economy of the Republic of Kazakhstan according to the procedure approved by the authorized body in the field of manufacturing petroleum products.

2. The authorized body in the field of manufacturing petroleum products, in coordination with the authorized body performing management in the areas of natural monopolies, sets ceiling prices for the retail sale of petroleum products subject to the state price regulation.

3. Persons engaged in the retail sale of petroleum products must not exceed ceiling prices set for the retail sale of petroleum products subject to the state price regulation.

4. In case of state price regulation for retail trade of oil products, the limit prices shall be established no more than once a month.

Footnote. Article 14 as amended by the Laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017).

## Article 15. Current account for financing of investment program

1. After confirmation of investment program, the oil products manufacturer shall open a current account, the funds of which shall be disbursed exceptionally for the purpose of financing of investment program.

2. The volume of investments in fixed assets (investment components) of a producer of petroleum products envisaged in investment programs are taken into account when calculating prices for regulated commodities, services for the current period and for the medium term.

3. The force of this Article shall not extend to low power oil products manufacturers.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 16. Avowal of turnover of oil products and results of in-house audit

1. Persons, carrying out manufacturing and (or) oil products sales shall be obliged to present a declaration on turnover of oil products to authorized body in the scope of turnover of oil products.

2. The authorized body in the field of the turnover of petroleum products and (or) its territorial subdivisions conduct an in-house audit on the basis of declarations on the turnover of petroleum products, dispatch notes and the data of metering devices. If retail sale is performed at mobile filling stations, in-house audits are conducted on the basis of declarations on the turnover of petroleum products and dispatch notes.

3. If in-house audits in the field of state regulation of manufacturing and turnover of petroleum products reveal discrepancies, within ten working days from the day of detection of such a violation, a person manufacturing and (or) selling petroleum products receives the notification.

The notification indicates the surname, name, patronymic (if any) or the full name of a person manufacturing and (or) selling petroleum products, identification number, the name of the tax authority, the date of notification, the reason for notification, the procedure for appeal.

4. The notification must be delivered to the person manufacturing and (or) selling petroleum products or his/her representative personally against receipt or in any other way confirming the fact of sending and receiving.

The notification, which is sent by registered mail with return receipt or electronically via electronic communication channels ensuring guaranteed delivery of messages, is deemed to be delivered on the day the reply was received by a postal or other communication organization or upon expiration of five business days after the notification was sent electronically.

The person manufacturing and (or) selling petroleum products shall execute the notification within thirty calendar days from the day following the day of delivery (receipt).

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 12.01.2012 No. 538-IV (shall be enforced from 01.01.2012); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 17. Notification of the commencement or termination of the activity of wholesale suppliers of petroleum products related to wholesale supplies of petroleum products

Footnote. The title of Article 17 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Prior to the commencement or termination of the activity related to wholesale supplies of petroleum products, wholesale suppliers of petroleum products are obliged to notify thereof the authorized body in the field of manufacturing petroleum products according to the procedure established by the Law of the Republic of Kazakhstan “On Permits and Notifications”.

2. Wholesale suppliers of oil products shall comply with the following requirements:

1) possess the oil product depot or reservoir as property or other legal basis;

2) Is excluded by the Law of the Republic of Kazakhstan dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018).

3. In the event of the termination of the right to own and (or) use a tank or oil depot, a wholesale supplier of petroleum products shall notify of the termination of the activity related to wholesale supplies of petroleum products.

4. An authorized body shall keep register of wholesale suppliers of oil products and make modifications and additions in it.

5. Is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

6. The wholesale sale of petroleum products by wholesale suppliers of petroleum products without notifying of the commencement of such activity entails responsibility established by the Code of the Republic of Kazakhstan on Administrative Offences.

Footnote. Article 17 is in the wording of the Law of the Republic of Kazakhstan dated 10.07.2012 No. 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018).

## Article 18. Special features of state regulation of processing crude oil and (or) gas condensate, and (or) intermediate products and delivery of petroleum products

Footnote. The title of Article 18 as amended by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Annually, on or prior to 15 December, the authorized body in the field of manufacturing petroleum products approves the plan for processing petroleum, intermediate products for producers of petroleum products, except for low capacity producers of petroleum products, for the coming calendar year, in order to ensure maximum capacity utilization of producers of petroleum products and satisfy the domestic demand of the Republic of Kazakhstan for petroleum products.

2. The plan for processing petroleum and (or) intermediate products determines the volume of crude oil and/or gas condensate and/or intermediate products that a producer of petroleum products must monthly process to manufacture respective types of petroleum products within a calendar year with account of the domestic consumption of petroleum products forecast for the Republic of Kazakhstan.

3. The plan for processing petroleum and (or) intermediate products is drawn up with account of the demand for petroleum products by agricultural producers during the spring-field and harvest work and also heat supply organizations during the heating season.

4. Annually, on or prior to 30 November, petroleum suppliers send requests for the supply of crude oil and (or) gas condensate and (or) intermediate products to the authorized body in the field of manufacturing petroleum products, indicating the planned volumes, terms of deliveries of crude oil and (or) gas condensate, and (or) intermediate products and destinations of deliveries of produced petroleum products by regions, cities of republican significance, the capital for the coming calendar year.

5. An oil products manufacturer shall be obliged to secure equal access to oil suppliers upon condition of the following requirements:

1) a petroleum supplier has a document confirming the origin of the purchased (received) crude oil and (or) gas condensate and (or) intermediate products;

2) a petroleum supplier has document confirming the quality of the supplied crude oil and (or) gas condensate and (or) intermediate products (quality passport).

3) is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

6. With account of the requests specified in paragraph 4 of this article, the authorized body in the field of manufacturing petroleum products approves, for petroleum suppliers, the schedule of deliveries of crude oil and (or) gas condensate and (or) intermediate products which indicates the volumes and terms of deliveries of crude oil and (or) gas condensate and/or intermediate products to producers of petroleum products, as well as petroleum refineries located outside the Republic of Kazakhstan, in order to ensure the fulfillment of the plan for processing petroleum and (or) intermediate products. Annually, on or prior to 15 December, the authorized body in the field of manufacturing petroleum products approves the schedule of deliveries of crude oil and/or gas condensate and/or intermediate products for the coming calendar year and communicates it to petroleum suppliers and producers of petroleum products within ten calendar days from the date of its approval. Petroleum suppliers are obliged to deliver crude oil and/or gas condensate and/or intermediate products in accordance with the approved schedule of deliveries of crude oil and (or) gas condensate.

7. The authorized agency in the field of manufacturing oil products shall approve the plan for deliveries of oil products for the coming calendar year on a monthly basis no later than 25 day of the month preceding the planned one and publish it on its Internet resource.

The plan for deliveries of oil products indicates:

1) list of oil suppliers and producers of oil products, with the exception of producers of oil products of low power;

2) volumes of each type of oil products that each oil supplier and producer of oil products, with the exception of producers of oil products of low power shall be required to supply to the domestic market of the Republic of Kazakhstan in the coming calendar month:

as part of direct deliveries;

through commodity exchanges in accordance with the Legislation of the Republic of Kazakhstan on commodity exchanges;

3) volumes of each type of oil products that each oil supplier and producer of oil products, with the exception of producers of oil products of low power shall be entitled, under the conditions established by this Law, to sell at their discretion in the territory of the Republic of Kazakhstan or outside it in the coming calendar month.

8. Oil suppliers and producer of oil products with the exception of producers of oil products of low power shall be obliged to carry out the oil products deliveries, manufactured from their own right of ownership or other legal bases of crude oil and (or) gas condensate, in accordance with the plan for deliveries of oil products.

Persons who have purchased oil products under the plan for deliveries of oil products for the purpose of their further sale shall be required to sell the purchased oil products exclusively on the domestic market of the Republic of Kazakhstan in accordance with the requirements of this Law.

8-1. Single operator for the supply of petroleum products is obliged to deliver petroleum products in accordance with the rules for the delivery of petroleum products by the single operator for the supply of petroleum products to the Armed Forces of the Republic of Kazakhstan, the Border Guard Service of the National Security Committee of the Republic of Kazakhstan, the National Guard of the Republic of Kazakhstan, the authorized body in the field of civil protection, state material reserves, including the procedure for price formation.

9. The provision of a notarized copy of the contract specified in subparagraph 3) of paragraph 5 of this article is a condition for the conclusion of a contract for the processing of crude oil and (or) gas condensate and (or) intermediate products by a producer of petroleum products with petroleum suppliers.

10. Petroleum suppliers shall submit a report to the authorized agency in the field of manufacturing oil products on execution of the schedule for deliveries of crude oil and (or) gas condensate and (or) process products and plan for deliveries of oil products manufactured in the Republic of Kazakhstan.

10-1. The provisions provided by Paragraphs 7 and 8 of this Article shall not apply for delivery of fuel oil.

11. Oil products manufacturers shall be obliged to present information in the form of administrative accounting, necessary for manufacturing monitoring and oil products sales to authorized body in the scope of oil products manufacturing.

12. A petroleum supplier has the right to compensate a producer for the amount of expenses associated with the producer's fulfillment of the tax obligation to pay an excise duty calculated in accordance with the tax legislation of the Republic of Kazakhstan for intermediate products from the customer-provided raw materials, if such compensation is provided for by the terms of the contract between the supplier and the producer.

Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 22.06.2012 No. 21-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.12.2013 № 152-V (shall be enforced from 10.08.2011); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 04.07.2014 № 233-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 No. 241-VI (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 19. Conditions of the turnover of petroleum products.

Footnote. The title of Article 19 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Import and sales of petrol and diesel fuel, containing metallic additions (iron, manganese, lead and others, except for antistatic additions for diesel fuel), and non-merchantable oil products, including their storage without following refining shall be prohibited on the territory of the Republic of Kazakhstan.

2. In the light of the requirements of this Law, the sale of petroleum products shall be allowed to:

- 1) producers of petroleum products - from tanks and (or) at filling stations;
- 2) petroleum suppliers - from oil loading racks of production facilities of producers of petroleum products, as well as from oil depot tanks and (or) at filling stations;
- 3) importers - from oil depot tanks and (or) at filling stations;
- 4) wholesale suppliers of petroleum products - from oil depot tanks and (or) at filling stations;
- 5) retail sellers of petroleum products - from oil depot tanks and (or) at filling stations.

3. Sales, shipment and (or) transportation and pumping of petroleum products are carried out with the obligatory movement of petroleum products via the metering devices of:

1) tanks - by producers of petroleum products, petroleum suppliers, wholesale suppliers of petroleum products, importers, retail sellers of petroleum products.

Petroleum suppliers engaged in the sale of petroleum products, obtained as a result of processing their own crude oil and (or) gas condensate, from oil loading racks of the production facility of a producer of petroleum products move such petroleum products via the metering devices of a producer of petroleum products either in the process of loading into automobile and (or) rail tanks or during pumping, transporting into a tank or to the filling station of a petroleum supplier.

Importers, as well as petroleum suppliers, selling petroleum products obtained as a result of processing their own crude oil and (or) gas condensate by petroleum refineries located outside the Republic of Kazakhstan, sell petroleum products from tanks and (or) at filling stations located in the Republic of Kazakhstan, with obligatory movement of petroleum products via metering devices;

Sale, shipment and (or) transportation, as well as pumping of oil products from petroleum product bases shall be carried out without use of metering devices;

2) filling stations (except for mobile ones) - by producers of petroleum products, petroleum suppliers, wholesale suppliers of petroleum products, importers, retail sellers of petroleum products.

The sale, shipment and (or) transportation and pumping of fuel oil (mazut) requires no metering devices, except for its shipment and (or) sale from the production facilities of a producer of petroleum products.

3-1. Petroleum suppliers have the right to sell petroleum products from the oil loading racks of the production facility of a producer of petroleum products.

A producer of petroleum products delivers petroleum products, received as a result of the processing of customer-provided raw materials, to a petroleum supplier by way of pouring into automobile and (or) rail tanks or pumping, transporting into a tank or to a filling station of the petroleum supplier, which he/she owns on the basis of ownership or other legal grounds, and this delivery is documented by delivery and acceptance acts.

4. For wholesale and retail sale of petroleum products, as well as export and import of petroleum products, dispatch notes shall be issued in accordance with regulations approved by the authorized body in the field of the turnover of petroleum products.

No dispatch notes are required for retailing petroleum products at a filling station.

Purchase and (or) storage of petroleum products without dispatch notes are prohibited.

4-1. The right to sell oil products outside the territory of the Republic of Kazakhstan shall be exclusively reserved for oil product manufacturers and oil suppliers.

At the same time, the persons specified in part one of this Paragraph shall have the right to sell outside the territory of the Republic of Kazakhstan only oil products manufactured from crude oil and (or) gas condensate belonging to them on the basis of the rights of ownership or other legal bases, in volumes not exceeding those specified in the plan of deliveries of oil products.

Other persons shall not be entitled to sell oil products outside the territory of the Republic of Kazakhstan.

The restrictions established by this Paragraph shall not apply to fuel oil delivery.

5. Is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 19 as amended by the Laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 29.12.2014 № 269-V (shall be enforced from 02.01.2015); dated 03.12.2015 № 432-V (shall be enforced from 01.07.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 20. Transport conditions of the crude oil, gas condensate and oil products by railway, highway, marine, inland water and air transport

1. Rail, car, sea, inland water and air transportation of crude oil, gas condensate, intermediate products and petroleum products is allowed in the means of transportation that are specially equipped and approved for transportation in accordance with the requirements of the legislation of the Republic of Kazakhstan on transportation of dangerous goods.

2. In the course of sales and (or) shipment, as well as in the carrying out of operations on transporting of oil products by railway, highway, marine, inland water and air transport, accompanying notes shall be mandatory formalized.

When petroleum products are imported in the Republic of Kazakhstan, a dispatch note is issued by the consignee and it is given to the supplier or carrier for petroleum products' importation into the Republic of Kazakhstan.

Wholesale suppliers of oil products, retail sellers of oil products, persons, carrying out internal transportation of oil products shall be obliged to deliver accompanying notes to recipient through the transport, jointly with the oil products.

For the purpose of this paragraph, the recipient shall be:

1) a legal entity, that is a customer of oil products, the branch of this legal entity, mentioned by him (her) in the capacity of a recipient;

2) a legal entity, his (her) branch, that are recipients of oil products in internal transportation;

3) a legal entity, that is a customer of oil products, as well as in internal transportation of oil products.

Internal transportation shall be a movement, linked with transporting of oil products within one individual, carrying out entrepreneurial activity, or legal entity.

An accompanying note shall be formalized in electronic form via web-site.

In the carrying out of internal transportation on agricultural lands by an agricultural producer, the formalization of accompanying notes shall not be required.

3. Documents related to the transportation of crude oil, gas condensate, intermediate products and petroleum products by rail, road, sea, inland waterway and air transport shall comply with the requirements established for the transportation of dangerous goods for each mode of transport.

4. Structure and conditions of operation of the storage and transporting facilities of the crude oil, gas condensate and oil products by railway, highway, marine, inland water and air transport shall conform to requirements of technical regulations.

Footnote. Article 20 as amended by the Laws of the Republic of Kazakhstan dated 03.12.2015 № 432-V (shall be enforced from 01.07.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 21. Conditions for the wholesale sale of petroleum products

1. The wholesale sale of petroleum products is only allowed by producers of petroleum products, petroleum suppliers, importers, as well as wholesale suppliers of petroleum products.

2. Wholesale suppliers of petroleum products may wholesale petroleum products only if they are entered in the register of wholesale suppliers of petroleum products in the manner prescribed by this Law.

3. The producer of petroleum products, the petroleum supplier, the importer has the right to wholesale petroleum products only to wholesale suppliers of petroleum products and (or) to retail sellers of petroleum products.

The provisions of this paragraph do not apply to cases where a petroleum supplier sells fuel oil, which is a product of processing its own customer-provided raw materials, to another petroleum supplier in the tank of the production facility of a producer of petroleum products.

4. Wholesale suppliers of petroleum products that purchase petroleum products from producers of petroleum products, petroleum suppliers, importers and also structural subdivisions of the authorized body in the field of state material reserves (when petroleum products are delivered from the state material reserves), are entitled to wholesale petroleum products only to retail sellers of petroleum products or to end users.

Wholesale suppliers of petroleum products are not entitled to sell petroleum products to other wholesale suppliers of petroleum products.

5. Prior to the commencement of bringing in (and also importing) petroleum products, importers must apply to the appropriate territorial unit of the authorized body in the field of the turnover of petroleum products for the assignment of a personal identification code number in the manner determined by the authorized body in the field of the turnover of petroleum products.

6. Wholesale suppliers of petroleum products are required to store petroleum products only in oil depot tanks and (or) at filling stations.

7. Producers, petroleum suppliers, importers, wholesale suppliers of petroleum products are prohibited from wholesaling petroleum products in violation of the procedure provided for in this article.

8. The procedure for the wholesale sale of petroleum products through commodity exchanges is determined by the authorized body in the field of regulation of trade activities

Footnote. Article 21 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.11.2016 № 26-VI (shall be enforced from 01.01.2017); dated 02.04.2019 No. 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## Article 22. Conditions for the retail sale of petroleum products

Footnote. The title of Article 22 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Retail sale of petroleum products is allowed to producers of petroleum products, petroleum suppliers, importers, wholesale suppliers of petroleum products, as well as retailers of petroleum products.

Retailers of petroleum products purchasing petroleum products from producers of petroleum products, petroleum suppliers, wholesale suppliers of petroleum products and (or) importers, as well as structural divisions of the authorized body in the field of state material reserves (when petroleum products are delivered from the state material reserves) are obliged to sell petroleum products only to end users.

The owner of a filling station is allowed to perform any kind of sale (shipment) of petroleum products under a commission agreement in the interests of a retailer of petroleum products. The obligation to issue, receive, hand over, record, store and submit dispatch notes for petroleum products in this case is assigned to the principal.

2. Retail trade of oil products from the containerized refuelling stations shall be allowed in inhabited localities with a population of up to ten thousand people.

Retail trade of oil products from refuelling stations of movable type shall be allowed on the agricultural lands in the staging areas of agricultural vehicles on the field works.

3. The use of filling stations for the storage and (or) retail sale of oil products by at the same time two or more persons engaged in the retail sale of oil products shall be prohibited.

4. Is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 22 as amended by the Laws of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from

01.01.2016); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2016 № 26-VI (shall be enforced from 01.01.2017); dated 25.12.2017 No. 122-VI (shall be enforced from 01.01.2018).

## Article 23. Monitoring of manufacturing and oil products sales

1. An authorized body in the scope of oil products manufacturing shall carry out the monitoring, which shall include:
  - 1) the monitoring of volumes of the oil products by their types, manufactured in the Republic of Kazakhstan;
  - 2) the monitoring of oil products sales in the Republic of Kazakhstan, including export and import of oil products;
  - 3) the monitoring of the wholesale and retail prices for oil products, manufactured in the Republic of Kazakhstan;
  - 3-1) the monitoring of volumes of petroleum products at oil depots located in the Republic of Kazakhstan;
  - 4) the monitoring of the oil products demands of the oblasts, cities of republican significance and capital.
2. Local executive authorities of regions, cities of republican significance and capital shall annually present the consumption forecast of the oil products to authorized agency in the scope of oil products manufacturing.
3. Wholesale suppliers of oil products shall present information about oil products sales, including the oil products, imported in the territory of the Republic of Kazakhstan to authorized body in the scope of oil products manufacturing.
4. On the basis of monitoring data of manufacturing and oil products sales, an authorized body in the scope of oil products manufacturing shall:
  - 1) perform a forecast of the balance of consumption, manufacturing and sales of oil products on the territory of the Republic of Kazakhstan for the calendar year ahead;
  - 2) confirm the oil refining plans;
  - 3) confirm the delivery schedule of the crude oil and (or) gas condensate for subsoil users to the oil products manufacturing for meeting requirements of the local market of the Republic of Kazakhstan;
  - 4) confirm the delivery plans of oil products;
  - 5) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication);
  - 6) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).
5. Owners of oil depots shall provide information to the authorized body in the field of manufacturing petroleum products on the receipt, shipment and storage of petroleum products.

Footnote. Article 23 as amended by the Law of the Republic of Kazakhstan dated 06.03.2013 No. 81-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 24. Specialties of state regulation of turnover of oil products, linked with supplying of agricultural producers by oil products in the periods of spring farm and harvest works and heating supply companies in a heating season

1. Jointly with local executive bodies of oblasts, an authorized body in the scope of agro-industrial complex development shall annually submit a proposal on the volume of delivery of the oil products for agricultural producers to authorized body in the scope of oil products manufacturing for accounting of these volumes in oil refining plans, in recognition of expected scope of agricultural works.
2. An authorized body in the scope of oil products manufacturing shall consider the volumes of oil products, required for supplying of agricultural producers in the oil refining plans.
3. An authorized body in the scope of oil products manufacturing shall consider the volumes of oil products in oil refining plans, presented by local executive bodies of oblasts, cities of republican significance and capital, required for supplying of heating supply companies for a heating season in the year ahead.
4. Individuals engaged in the retail sale of petroleum products are obliged to give preference to agricultural producers in selling petroleum products every year from 1 March to 31 May and from 1 August to 31 October and to heating supply companies - from 31 October to 1 March.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 09.04.2016 № 500-V (shall be enforced upon expiry of ten calendar days after its first official publication).

## Article 25. Liability for the breach of legislation of the Republic of Kazakhstan on state regulation of manufacturing and turnover of specific types of petroleum products

The breach of the legislation of the Republic of Kazakhstan on state regulation of manufacturing and turnover of specific types of petroleum products entails liability established by the laws of the Republic of Kazakhstan.

Footnote. Article 25 in the new wording of the Law of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016).

## Article 26. The order of enforcement of this Law

1. This Law shall enter into force upon expiry of ten calendar days after its first official publication, with the exception of:

1) paragraph 1, subparagraph 1) of paragraph 2, paragraphs 3, 4, 5, 6, 7, 8 and 9 of Article 17 and part one of paragraph 1 of Article 21, which shall enter into force upon expiry of six months after its first official publication;

2) Subparagraphs 6) and 7) of Paragraph 3 of Article 12 and Subparagraph 1) of Paragraph 3 of article 19 which shall go into effect from January 1, 2017 for wholesale suppliers of oil products, importers, suppliers of oil - from January 1, 2019;

3) subparagraph 2) of paragraph 3 of Article 19, which shall be enforced:

from January 1, 2019 - for gas stations located in the capital, cities of republican, regional and district significance;

from January 1, 2021 - for gas stations not specified in the second paragraph of this subparagraph.

2. The words “control metering instruments” shall be considered as the words “measuring instruments ensuring accounting of oil products” till January 1, 2015 in subparagraph 26) of Article 1 of this Law.

3. The words “identification number” shall be considered as “tax registration number” till 1 January, 2013 in the part two of paragraph 3 of Article 16 of this Law.

4. The Law of the Republic of Kazakhstan dated April 7, 2003 “On state regulation of manufacturing and turnover of oil products” (The Bulletin of the Parliament of the Republic of Kazakhstan, 2003, No. 6, Article 33; 2004, No. 23, Article 142; 2006, No. 15, Article 95; No. 24, Article 148; 2007, No. 19, Article 148; 2010, No. 20-21, Article 119; No. 22, Article 128) shall be declared to be no longer in force.

Footnote. Article 26 as amended by the Law of the Republic of Kazakhstan dated 12.01.2012 No. 538-IV (shall be enforced from 01.01.2012); No 257 dated 28.11.2014 (shall be enforced from 01.01.2015); No 500-V dated 09.04.2016 (shall be enforced from 01.01.2016); No 126-VI dated 27.12.2017 (shall be enforced from 01.01.2018); dated 27.12.2017 No. 126-VI (shall be enforced from 01.01.2018).

The President of  
the Republic of Kazakhstan

N. Nazarbayev