

ANNEX 7

On State Regulation of Agricultural and Industrial Complex and Rural Territories Development

Law of the Republic of Kazak

and local executive authorities, as well as specialized organizations, directed to information and marketing and consulting provision of subjects of agricultural and industrial complex;

5) *subjects of agricultural and industrial complex* – natural and juridical persons, carrying out activity in agricultural and industrial complex;

6) *targeted subsidizing* – financing of individual recipients of subsidies on the grant and non-commercial basis, implemented on the account of the state budget;

7) *rural territories* – complex of rural settlements and adjoining territories;

8) *authorized body in the field of rural territories development* – state body, implementing government regulation in the field of rural territories development;

9) *social and engineering infrastructure of rural territories development* – system of life support enterprises, including objects of healthcare, education, culture, sport, telecommunication, communication, roads, post-saving system, gas, electricity, heating, water supply and water removal, collection and utilization of industrial and consumption wastes;

10) *optimal rural resettlement* – location of rural settlements, based on provision of required living standard for rural residents in accordance with specified level of life support services;

11) *agricultural products* – raw materials and products of plant production and livestock breeding, including beekeeping, as well as products of their primary

15) *state technical inspection* – state registration, state technical checkup of tractors, self-propelled chassis and mechanisms made on its base, trailers, including trailers with assembled special equipment, self-propelled agricultural, melioration and road-building machinery and mechanisms, as well as special machinery with cross-country capacity, with issuance of appropriate documents and state registration plates, registration and records of persons, who use specified transport facilities and trailers, including those, using specified facilities under the power of attorney, examinations and issuance of driver’s licenses that are implemented in accordance with the procedure established by the legislation of the

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4) creation of economic conditions for production of competitive agricultural products and their processing products.

2. State regulation of agricultural and industrial complex and rural territories development shall be implemented based on the following principles:

1) priority of the development of agricultural and industrial complex and rural territories, which have economic growth potential;

2) compliance with the requirements of international agreements on agriculture, sanitary and phytosanitary standards;

3) transparency of measurements implemented by the state;

4) targeting in provision of state support measurements;

5) development of competitive advantages of domestic agricultural and industrial production;

6) protectability of domestic market from unfair competition;

7) division of power among the levels of state administration;

8) ecological security of agricultural and industrial complex activities and habitation of the population in rural settlements;

9) cooperation with public associations and unions of entrepreneurs;

10) efficiency of the state regulation measures;

11) provision of required annual volume of state support of agricultural and industrial complex and rural territories development;

12) development of optimal forms of cooperation of subjects of agricultural and industrial complex;

Chapter 2. Competence of State Bodies and Local Authorities in the Field of State Regulation of Agricultural and Industrial Complex and Rural Territories Development

Article 4. Competence of the Parliament of the Republic of Kazakhstan in the Field of State Regulation of Agricultural and Industrial Complex and Rural Territories Development

Competence of the Parliament of the Republic of Kazakhstan in the field of state regulation of agricultural and industrial complex and rural territories development shall include:

- 1) adoption of laws on regulation of social

9) approval of the plan of optimal rural resettlement in accordance with the general plan of organization of the territory of the Republic of Kazakhstan;

10) approval of targeted subsidizing ru

6) execution of veterinary and phytosanitary control in accordance with Legislation of the Republic of Kazakhstan; (V043111)

7) elaboration of activities on transition of agricultural and industrial complex branches to the international standards;

8) monitoring of:

the development of agricultural and industrial complex and implementation of national and sectoral programs in the field;

the implementation of field-works;

the prices and markets of agricultural products and of their processed products;

9) analysis of:

the situation and results of economic and production activities by branches and types of activities, balances of production and consumption of agricultural products and of their processed products;

the statistical data on development of branches of agricultural and industrial complex;

10) elaboration of the list of information and services, subject to provision to agricultural and industrial complex subjects on the grant basis;

11) submission of proposals on issues of prices, technical, customs, tax, credit, insurance activities, as well as in the sphere of technical regulation and state policy in the field of agricultural and industrial complex;

12) submission of proposals on creation, development, reorganization, and liquidation of specialized organizations;

13) working out of activities on technical equipping of the subjects of agricultural and industrial complex and development of agricultural machinery building;

14) execution of state technical inspection in the field of agricultural and industrial complex;

15) approval of state registration rules, rules of annual state technical inspection of tractors and self-propelled chassis and mechanisms made on its base, trailers, including trailers with assembled special equipment, self-propelled agricultural, melioration and road-building machinery and mechanisms, special machinery with cross-country capacity, as well as definition of the procedure of registration and records of persons, who shall use specified transport facilities and trailers, including those, using it under the power of attorney, procedure of examinations

and issuance of driver's licenses with the issuance of appropriate documents and

Article 7. Competence of Local Representative Bodies (Maslikhats) and Local Executive Authorities (Akimats) in the Field of State Regulation of Agricultural and Industrial Complex and Rural Territories Development

1. Competence of local representative bodies (maslikhats) of the oblasts (the city of the Republican subordination, the capital) shall include:

1) approval of plans, economic and social programs of development of agricultural and industrial complex and rural territories;

2) approval of local budget for the corresponding financial year with necessary amount of funding of measures in the sphere of agricultural and industrial complex and rural territories;

3) hearing of reports of heads of local executive authorities on the issues of agricultural and industrial complex and rural territories development;

2. Competence of local executive authorities (akimats) of oblasts (the city of the Republican subordination, the capital) shall include:

1) elaboration and submission for approval to local representative bodies

9) organization of work of the commissions on identification of participants of the agricultural products purchasing programs;

10) organization of work on transferring innovation experience in the field of agricultural and industrial complex;

11) provision of construction, maintenance and reconstruction of state stations for animals insemination, purchasing of livestock production and raw materials, slaughtering sites, special storage (dumping) sites for pesticides, chemical weed-killers and its containers;

12) organization of purchasing, maintenance of high-grade pedigree cattle and young animals breeding for expanded reproduction;

13) elaboration of measurements for:

attraction of investments and credits of second-tire banks to the branches of agricultural and industrial complex;

creation of conditions for establishing and development of competitive productions, their modernization and transition to international quality management system;

development of pond, lakes products, fishery farms and fish-processing enterprises;

creation of conditions for growth of specialized livestock farms;

14) elaboration of the list of local budgetary priority investment projects (programs) for development of agricultural and industrial complex, social and engineering infrastructure of rural territories, to be financed at the expense of budgetary funds;

15) creation of conditions for functioning and development of information and marketing system of the agricultural and industrial complex;

16) studying of the situation on domestic and foreign food markets and provision of access to appropriate information to the subjects of agricultural and industrial complex;

17) submission of information on conditions and development of agricultural and industrial complex and rural territories to the authorized state bodies in the field of agricultural and industrial complex and rural territories development;

3. Competence of local representative bodies (maslikhats) of rayons (the city of the oblast subordination) shall include:

1) approval of plans, economic and social programs of development of agricultural and industrial complex and rural territories;

2) approval of local budget for the appropriate financial year with necessary amount of funding for measures in the field of agricultural and industrial complex and rural territories;

3) hearing of reports of heads of local executive authorities (akimates) on the issues of agricultural and industrial complex and rural territories development;

4. Competence of local executive authorities (akimats) of rayons (the city of the oblast subordination) shall include:

1) elaboration of programs of development of agricultural and industrial complex and rural territories development and ensuring its implementation on the territory of the rayon;

2) implementation of state support of subjects of agricultural and industrial complex in accordance with this Law, national, sectoral, regional programs and other statutory legal acts in this field;

3) explanatory work to agricultural and industrial complex subjects concerning main directions and mechanisms of state agricultural food policy;

4) monitoring of development of rural territories and implementation of programs in this field;

5) elaboration of rules for maintenance and pasture of farming animals in settlements;

6) organization of identification of farming animal stock in accordance with the procedure established by the authorized body in the field of veterinary, construction, keeping and reconstruction of livestock burial ground;

7) conducting of efficient data collection in the field of agricultural and industrial complex and rural territories and submission of the data to the local executive authority (akimat) of the oblast;

5. Competence of akims of a district in the city of the Republican subordination (in the capital), cities of rayon subordination, settlements, auls (villages), and aul (rural) divisions shall include:

1) introduction of proposals to the executive authorities (akimats) of rayons (cities of oblast subordination):

on elaboration of programs of agricultural and industrial complex and rural territories development;

on rules of maintenance and pasture of farming animals;

2) implementation of explanatory work to agricultural and industrial complex

Article 9. State Regulation of Agricultural and Industrial Complex and Rural Territories Development

1. State regulation of agricultural and industrial complex and rural territories development shall orient towards provision of food security, stability of markets of agricultural and industrial complex products, establishment of efficient entrepreneurship system, support of competitive advantages of domestic products, as well as raising of living standards of rural population through creation of conditions for plants production, livestock, fishery, processing of agricultural raw materials and food industry, provision of veterinary and sanitary and phytosanitary safety, technical equipping and other associated scopes of activities, development of social and engineering infrastructure of rural territories.

2. State regulation of agricultural and industrial complex and rural territories development shall be implemented by means of:

- 1) development of crediting in the field of agricultural and industrial complex and rural territories;
- 2) subsidizing of agricultural and industrial complex;
- 3) conducting of purchasing operations and price intervention;
- 4) creation of specialized organizations;
- 5) regulation of export and import of goods of agricultural and industrial complex;
- 6) technical equipping of agricultural and industrial complex;
- 7) information and marketing support of agricultural and industrial complex;
- 8) scientific, normative and methodical support and training of personnel for agricultural and industrial complex;
- 9) investing into development of social and engineering infrastructure of rural territories;
- 10) organization of optimal rural resettlement;
- 11) ensuring of veterinary and sanitary and phytosanitary safety;
- 12) application of tax, budget, customs and tariff, technical regulation measures and other measures in accordance with legislative acts of the Republic of Kazakhstan.

3. Measures of state regulation of agricultural and industrial complex and rural territories established in the paragraph 2 of this Article shall be financed in directions stipulated in accordance with:

- 1) legislative acts of The Republic of Kazakhstan;
- 2) national, sectoral, regional programs and plans of measurements for their implementation, to be approved by the Government of the Republic of Kazakhstan and local executive authorities (akimats).

Annual amounts of funding of these measures shall be fixed by the Law on The Republican Budget and by the decisions of maslikhats on local budget for the appropriate fiscal year.

Article 10. Development of Crediting in the Field of Agricultural and Industrial Complex and Rural Territories

1. State regulation of crediting development in the field of agricultural and industrial complex and rural territories shall be implemented through the budget crediting in accordance with the budget legislation of the Republic of Kazakhstan or through the participation in forming or increasing of authorized capital of specialized organizations.

2. Development of crediting in the field of agricultural and industrial complex and rural territories shall be carried out in the following directions taking into account provisions, stipulated by the paragraph 3 of Article 9 of this Law:

- 1) formation and development of agricultural production infrastructure;
- 2) leasing of agricultural machinery and technological equipment;
- 3) arrangement and crediting of credit societies, fulfilling crediting in agricultural and industrial complex;
- 4) crediting of non-agricultural types of entrepreneurial activity in rural area;
- 5) purchase, production, processing and sale of agricultural products;
- 6) organization of microcrediting of rural population.

Article 11. Subsidizing of Agricultural and Industrial Complex

1. Subsidizing of agricultural and industrial complex shall be implemented as an economic stimulation of development of branches of agricultural and industrial complex on the following conditions:

1) economic efficiency of subsidizing directed to development of branches of agricultural and industrial complex;

2) increasing of quality and competitiveness of products.

2. Subsidizing of agricultural and industrial complex shall be implemented in following directions taking into account the provisions, stipulated by the paragraph 3 of Article 9 of this Law:

1) reducing of interest rates when crediting agricultural and industrial complex and providing with agricultural machinery and equipment;

2) preservation and development of gene pool of the high-priced variety of plants and breeds of farming animals, birds and fishes;

3) development of seed-growing, increase of crop capacity and quality of plant production products;

4) increase of productivity and quality of livestock products;

5) reducing of prices for combustive-lubricating materials and other material assets which are required for conducting of spring sowing campaign and harvest works according to priority crops to be determined by the Government of the Republic of Kazakhstan before the beginning of specified works;

6) development of production management systems and agricultural products market;

7) development of livestock breeding;

8) laying and growing of perennial plants such as fruit plantings and grapes;

9) other directions of subsidizing of agricultural and industrial complex, stipulated by legislative acts of the Republic of Kazakhstan.

3. Priority directions of subsidizing shall be determined by medium-term fiscal policy in accordance with legislative acts of the Republic of Kazakhstan, national, sectoral, regional programs.

Article 12. State Regulation of Agricultural Food Markets

1. State regulation of agricultural food markets with a view of ensuring food security and support of domestic agricultural manufacturers shall be implemented by means of:

1) conducting of purchasing operations and price interventions;

2) protection of domestic market by methods of customs and tariff, non-tariff regulation in accordance with legislative acts of the Republic of Kazakhstan.

- 3) organization of state stations of animals insemination, storage of livestock products and raw materials, slaughtering sites, livestock burial grounds, special storage (dumping) sites for pesticides, chemical weed-killers and its containers;
- 4) veterinary measurements directed to protection of the territory of the Republic of Kazakhstan and non-admission of spreading of disease common to animals and human;
- 5) phytosanitary measurements directed to non-admission of hazardous and especially dangerous hazardous organisms, protection of the territory of the Republic of Kazakhstan from quarantine objects, as well as to identification, localization and elimination of their spreading centers;
- 6) compensation of damage sustained by the subjects of agricultural and industrial complex as a result of impressments and elimination of animals, products and raw materials of animal origin representing danger for animals and human health.

Article 14. Technical Maintenance of Agricultural and Industrial Complex

State regulation of technical maintenance of agricultural and industrial complex shall be implemented by means of:

- 1) arrangement of renewal of the machinery and tractor stock and technological equipment;
- 2) development of machinery and technological stations (service centers) and monitoring of their activities;
- 3) testing and mandatory certification of agricultural machine building products made domestically or abroad;
- 4) implementation of state technical inspection.

Article 15. Information and Marketing Support of Agricultural and Industrial Complex

1. Information and marketing support of agricultural and industrial complex shall be fulfilled by means of:

- 1) organization of information and marketing system of agricultural and industrial complex;
- 2) conduction of agricultural census not less than once in ten years;

- 3) publishing of informational materials in mass media and publication of specialized collections, magazines, thematic editions;
- 4) assistance in creation and development of modern information technologies and electronic auctions;
- 5) arrangement of exhibitions and fairs and rendering of advertising support for domestic agricultural manufacturers' products;
- 6) arrangement of training courses.

2. List of information and services to be rendered to the subjects of agricultural and industrial complex on the non-compensation basis by specialized organizations shall be defined by the authorized body in the field of agricultural and industrial complex development.

Article 16. Specialized organizations in the field of Agricultural and Industrial Complex

The Government of the Republic of Kazakhstan may establish specialized organizations with a view of stable agricultural and industrial complex development, provision of subjects of agricultural and industrial complex with certain types of services lacking or poorly presented in competitive market.

The procedure of creation, organizational and legal forms and objectives of specialized organizations shall be determined by the legislation of the Republic of Kazakhstan.

Article 17. Scientific Support and Training of Personnel for Agricultural and Industrial Complex

The state support of scientific and human resources development of agricultural and industrial complex shall be implemented by means of organization of:

- 1) scientific-research, engineering and development activities;
- 2) training and retraining, certification of personnel in priority directions of development of agricultural and industrial complex and agricultural science;
- 3) dissemination and introduction of scientific developments into production;

4) preservation and development of valuable plant sorts gene pool, breed and types of farming animals, birds and fishes;

5) formation of machines and tractors stock and renewal of technological equipment for the state educational organizations which conduct training of personnel for agricultural and industrial complex.

Article 18. Development of Rural Territories

1. The state regulation of rural territories development shall be directed to development of social and engineering infrastructure of rural territories and provision of rural population with favorable living conditions.

2. The state shall regulate the development of rural territories by means of:

1) elaboration and implementation of national and regional programs of rural territories development;

2) classification of rural settlements according to the level of social and economic development and ecological situation;

3) elaboration of standards of rural settlements provision with objects of social and engineering infrastructure of rural territories and ecological situation of rural settlements;

4) monitoring of :

state of provision of rural population with social and engineering infrastructure services of rural territories;

ecological situation of rural settlements;

5) creation and development of social and engineering infrastructure of rural territories;

6) optimal rural resettlement;

7) stimulation of attraction of healthcare, social security, education, culture and sport specialists to rural settlements.

3. Citizens of the Republic of Kazakhstan living in rural settlements with unfavorable ecological conditions and low economic potential shall have a right to

get the state support upon removal with their consent in accordance with the legislative acts of the Republic of Kazakhstan.

4. Healthcare, social security, education, culture and sport specialists working in rural settlements may be provided with the salary and tariff rates increased by not less than 25% compared to the salaries of specialists engaged in these types of activities in urban areas upon the decision of local representative bodies (maslikhats).

5. Social assistance for purchase of fuel to the specialists of state organizations of healthcare, social security, education, culture and sport, living and working in rural settlements shall be rendered upon the decision of local representative bodies (maslikhats) at the expense of the budget funds.

6. Healthcare, social security, education, culture and sport specialists with the view of stimulation of attraction to rural settlements shall be provided with domiciles upon the decision of the local executive bodies (akimats).

Article 19. Normative and Methodical Provision of Agricultural and Industrial Complex and Rural Territories

1. Normative and methodical provision of agricultural and industrial complex and rural territories shall be implemented with a view to apply scientifically justified agricultural technologies and technologies of agricultural products processing, growth of agriculture effectiveness and its infrastructure, competitive production output, optimization of budgetary financing, development of social and engineering infrastructure of rural territories, growth of economic potential of rural settlements, ensuring ecological safety of rural settlements and elaboration of optimal rural resettlement plans.

2. Normative and methodical provision of agricultural and industrial complex and rural territories shall be implemented by means of elaboration of standards, norms, instructions, methods and recommendations by the authorized state body.

Chapter 4. Final Provisions

Article 20. International Cooperation in the Field of Agricultural and Industrial Complex and Rural Territories Development

International cooperation in the field of agricultural and industrial complex and rural territories development shall be implemented based on international agreements.

Article 21. Final Provisions

1. This Law shall come into force from the 1st of January 2006
2. To annul the Law of the Republic of Kazakhstan as of February 13, 1991 “On the Priority of Aul, Village and Agricultural and Industrial Complex Development in the Republic of Kazakhstan” (the Gazette of the Supreme Council of the Kazakh SSR, 1991, No. 8, Article 93; the Gazette of the Supreme Council of the Republic of Kazakhstan, 1992, No. 13-14, Article 327; 1995, No. 20, Article 120; the Gazette of the Parliament of the Republic of Kazakhstan, 1997, No. 7, Article 79; No. 12, Article 184; 1999, No. 8, Article 247; No. 23, Art. 927; 2001, No. 13-14, Article 173; 2004, No. 23, Article 142).

President of the Republic of Kazakhstan