

(Gazette of the Parliament of the Republic of Kazakhstan, 1998, N 16, p. 214; 1999, N 19, p. 646; 2000, N 3-4, p. 66; 2001, N 23, p. 309; 2002, N 23-24, p. 193; 2004, N 14, p. 82):  
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until full payback of investments, and approved

examination (appraisal) of implementation of tariff estimates and observance of accounting policy, as well as of implementation of investment programs and (or) investment projects;

25) *emergency regulating measures* – measures taken by an authorized body with the purpose to protect life and health of citizens, property of natural and juridical persons, as well as for the environment protection.";

3) Article 4 to reword as follows:

"Article 4. Fields of Natural Monopolies

1. The following services (goods, works) are classified in the Republic of Kazakhstan as natural monopolies:

1) transportation of oil and (or) oil products through the main pipelines;

2) storage and transportation of gas or gas condensate through the main pipelines and (or) distribution pipelines, operation of gas-distribution units and connected gas-distribution pipelines;

3) transmission and (or) distribution of electricity and heat;

4) production of heat;

5) services in technical dispatching of release and consumption of electric energy;

6) services of the main-line railway networks;

7) services of the spur tracks;

8) air navigation services;

9) services of seaports and airports;

10) telecommunication services in cases where there was no competition between communication operators due to either technological unfeasibility or to economic inexpedience of rendering of this type of services, with the exception of universal telecommunication services;

11) services related to the proprietary renting (leasing) and provision of access to cable channels or other fixed assets that are technologically combined with connecting telecommunication network to universal telecommunication network;

12) services of water management and (or) sewerage systems;

13) public postal services.

2. An authorized body carries out the analysis of the fields of natural monopolies listed in paragraph 1 of the present Article, with the object of qualifying services (goods, works) rendered by subjects of natural monopolies within the framework of these fields, as regulated ones.

The list of regulated services (goods, works) shall be approved by the Government of the Republic of Kazakhstan upon submission by an authorized body.

3. Subjects of natural monopolies shall be listed in the State Register of Subjects of Natural Monopolies which consists of national level and local level chapters, with indication of the specific types of regulated services (goods, works) rendered.

The procedure for entering and exclusion of subjects of natural monopolies from the State Register shall be established by an authorized body.";

4) in Article 5:

in the heading, to change words "of natural monopoly" with words "of natural monopolies";

in paragraph 1:

sub-paragraphs 1) and 2) to reword as follows:

"1) render services and carry out any other activity that is not classified as a natural monopoly, with the exception of the following activities:

technologically connected with regulated services (goods, works);

established by the legislation of the Republic of Kazakhstan concerning postal services;

in case when revenues from rendering of regulated services (goods, works) that belong to the field of natural monopoly, do not exceed one percent of revenue from all activities of the market entity over one calendar year;

in case when revenues from other activity do not exceed five percent of all activities of the subject of natural monopoly over one calendar year;

in case of unfeasibility of organizational and territorial isolation of a structural subdivision that renders services (goods, works) within the field of natural monopoly;

2) to possess property, on the basis of ownership and (or) economic management right, that is not connected with production and rendering of regulated services (goods, works) by a subject of natural monopoly, as well as not connected with carrying out activities allowed to the subject of natural monopoly in accordance with the present Law;;

in sub-paragraph 4):

to change the word "rendered" with the word "regulated";

to insert the word "regulated" after the words "payment for";

to insert words ", or their maximum rates";

sub-paragraph 5) to reword as follows:

"5) to impose conditions for access to regulated services (goods, works) of subjects of natural monopolies, or to perform other actions that lead to discrimination of consumers;;

to insert sub-paragraph 5-1) as follows:

are established by the state bodies within their authority, taking into consideration the tariffs (prices, fee rates), or their maximum rates, approved by the authorized body for the regulated services (goods, works) rendered;"

to insert sub-paragraph 2-1) as follows:

"2-1) to provide reception of payments from consumers for regulated municipal services (goods, works) rendered to them, through their own cash desks, as well as banks and organizations that carry out certain types of banking operations. This requirement does not apply to the subjects of natural monopolies indicated in paragraph 3 of Article 15 of the present Law;"

in sub-paragraph 3):

to insert the word "regulated" after the words "to consumers"

to insert the word "regulated" after the words "rendering of";

to insert the words ", including equal conditions of access to regulated services (goods, works), in accordance with the procedure approved by an authorized body ";

to insert sub-paragraph 3-1) as follows:

"3-1) in case of approval of a maximum rate for a tariff (price, fee rate), to render regulated services (goods, works) to all consumers on the basis of blanket rates of tariffs (prices, fee rates) that do not exceed the maximum rate of the tariff (price, fee rate);"

sub-paragraphs 4) and 5) to reword as follows:

"4) to procure services (goods, works), which costs are counted when of natmng ehe tariff TJ-219

to insert the word "regulated" after the words "rendering of";

in sub-paragraph 13):

to insert words "no later than" after the words "tariffs (prices, fee rates)";

to insert sub-paragraphs 14) - 16) as follows:

"14) to conduct an independent evaluation of its own activity in compliance with the requirements established by the authorized body:

financial – no less frequently than once every two years;

technical – no less frequently than once every five years;

15) to reduce tariffs (prices, fee rates) or their maximum rates for the rendered regulated services (goods, works), for all consumers in accordance with the procedure established by the authorized body, in case of corresponding changes to the tax legislation of the Republic of Kazakhstan, as a result of which the cost of expenditures of the subject of natural monopoly decreases from the day of entering of the said changes into force;

16) to alienate property intended for production and rendering of regulated services (goods, works), through the tender, with the exception of cases when the property is transferred to the state ownership.";

7) sub-paragraph 1) of Article 10 to reword as follows:

"1) to buy regulated services (goods, works) of a subject of natural monopoly in accordance with the procedure and by tariffs (prices, fee rates) that are established by an authorized body, to request installation of measuring devices, or to purchase and install them independently;"

8) in Article 11:

to eliminate paragraph 2;

in paragraph 3:

to insert words "(goods, works)" after the word "services";

9) sub-paragraph 4) of Article 13 to reword as follows:

"4) elaborates, approves and applies non-discriminatory methodologies for calculation of tariffs (prices, fee rates), or their maximum rates for regulated services (goods, works) of a subject of natural monopoly;"

10) in Article 14:

in paragraph 1:

to insert words "and controlling" after the word "regulating" in sub-paragraph 2);

to insert words "and control" in sub-paragraph 3);

to insert sub-paragraph 4-1) as follows:

"4-1) to conduct financial and (or) technical evaluation of activities of subjects of natural monopolies, when necessary;"

sub-paragraph 6) to reword as follows:

"6) to submit mandatory instructions to the subjects of natural monopolies, state bodies in cases of violation of the legislation of the Republic of Kazakhstan on Natural Monopolies, including instructions on reorganization of the subjects of natural monopolies and (or) on alienation of property;"

in sub-paragraph 9-1): to insert the words "regulated services (goods, works)" after the word "consumers";

sub-paragraphs 9-2) and 9-3) to reword as follows:

"9-2) to initiate change in tariffs (prices, fee rates) for regulated services (goods, works) of subjects of natural monopolies, or of their maximum rates and tariff estimates of subjects of natural monopolies, in accordance with the procedure established by it;

9-3) to carry out control over procurement, which costs are counted when approving tariffs (prices, fee rates), or their maximum rates and tariff estimates, for regulated services (goods, works) of a subject of natural monopoly;"

to eliminate sub-paragraph 9-4);

in sub-paragraph 9-6): to insert the word "regulated" after the words "(prices, fee rates) for ";

to insert sub-paragraphs 9-7), 9-8), 9-9), 9-10), 9-11) and 9-12) as follows:

9-7) to approve the procedure for carrying out separate calculation of revenues, expenditures, and used assets for each type of regulated services (goods, works), and in general for other types of activities;

9-8) to coordinate the candidature of the rehabilitation manager to be appointed, and the rehabilitation plan for a subject of natural monopoly;

9-9) to approve tariffs (prices, fee rates), or their maximum rates, for regulated services (goods, works) of a subject of natural monopoly, taking into account quality requirements established by state bodies within their competence;

9-10) to coordinate the methodologies for carrying out separate calculation of revenues, expenditures, and used assets by type of regulated services (goods, works) of subjects of natural monopolies, in accordance with the procedure established by the authorized body;

9-11) to coordinate investment programs and (or) investment projects, to be counted when approving tariffs (prices, fee rates), or their maximum rates and tariff estimates, as well as to approve the procedure for carrying out the monitoring of efficiency of investment programs and investment projects implementation by subjects of natural monopolies;

9-12) to approve the procedure and conditions for carrying out revaluation of fixed assets of a subject of natural monopoly, in coord9.gsubjects of natural

to insert paragraph 3 as follows:

"3. A simplified procedure of state regulation, to be approved by the Government of the Republic of Kazakhstan, is applied to the activities carried out by subjects of natural monopolies, whose annual revenue from rendering of regulated services (goods, works) do not exceed 350,000 Monthly Calculation Indices, or 50,000 Monthly Calculation Indices for each type of regulated services (goods, works). The list of specified subjects of natural monopolies shall be approved by an authorized body upon submission by the akims of oblasts (the city of republican subordination, the capital).";

13) in Article 15-1:

in the heading, to change words "for services" with the words ", or their maximum rates, for regulated services (goods, works)";

in paragraph 1:

to change words "for services" with the words ", or their maximum rates, for regulated services (goods, works)";

to insert the word "regulated" after the word "rendering";

in paragraph 2:

in the first paragraph of part one, to insert words ", or its maximum rate," after the words "tariff (price, fee rate)";

to insert words ", or its maximum rate," to sub-paragraph 1);

to insert words ", or its maximum rate," to sub-paragraph 3);

to insert words ", or its maximum rate," to sub-paragraph 4);

paragraph 3 to reword as follows:

"3. Expenditures for purchase and installation of measuring devices shall be included into the tariff (price, fee rate), or its maximum rate, for regulated services (goods, works) rendered by a subject of natural monopoly, in accordance with the procedure established by an authorized body ";

14) in Article 16:

to insert words ", or their maximum rates and tariff estimates," in the heading;

in paragraph 1:

to change words "approval (changes) of tariffs (prices, fee rates) for the rendered" with the words "approval of tariffs (prices, fee rates), or their maximum rates, for the rendered regulated";

in paragraph 2:

to change words " tariff estimates and drafts" with the words "drafts of tariff estimates and";

to change words "their own" with the word "regulated";

to insert part two as follows:

"In case of approval of a maximum rate for a tariff (price, fee rate), the subject of natural monopoly shall submit an application for consideration of a tariff (price, fee rate) to an authorized body 180 days prior to its introduction as follows: )TjT7 0 TD.ords )ys prioates an ", or its n



monopolies, were accepted for consideration, the authorized body, if necessary, carries out an additional financial and (or) technical evaluation of the drafts tariffs (prices, fee rates), or their maximum rates and tariff estimates, and for this purpose it engages independent experts, state bodies, consumers and their public associations, and the applicants.

1-1. When holding public hearings, the authorized body shall to publish the information on the date and place of the hearings in periodical publication no later than ten days prior to the event.

Public hearings shall be held:

1) when approving maximum rates for tariffs (prices, fee rates) for regulated services (goods, works) of a subject of natural monopoly, no later than 15 days prior to the adoption of final decision on the approval;

2) when approving tariffs (prices, fee rates) for regulated services (goods, works) of a subject of natural monopoly, no later than 7 days prior to the adoption of final decision on the approval.

The procedure for holding public hearings shall be determined by the Government of the Republic of Kazakhstan.";

16) in Article 18:

to insert words "or their maximum rates and tariff estimates" in the heading;

in paragraph 2:

to change words "for services (goods, works)" with the words "or their maximum rates and tariff estimates for regulated services (goods, works)";

paragraph 3 to reword as follows:

"3. Approval of tariffs (prices, fee rates), or their maximum rates and tariff estimates for regulated services (goods, works) of a subject of natural monopoly may not be carried out more often than once every two quarters. Introduction of new tariffs (prices, fee rates) shall be carried out since the first day of a quarter.";

in paragraph 4:

to insert words "or their maximum rates" after the words "tariffs (prices, fee rates)";

part one of paragraph 5 to reword as follows:

"5. The approval of tariffs (prices, fee rates) and tariff estimates for regulated services (goods, works) in accordance with the simplified procedure shall be carried out for:

1) regulated services (goods, works) of a newly created subject of natural monopoly;

2) new types of regulated services (goods, works) included pursuant to paragraph 2 of Article 4 of the present Law;

3) new types of regulated services (goods, works) rendered by the subject of natural monopoly that has already been listed in the State Register of Subjects of Natural Monopolies by other types of regulated services (goods, works).

Subjects of natural monopolies specified in the part one of the present paragraph are liable to submit an application for revision of tariffs (prices, fee rates) and tariff estimates within six months in accordance with the general procedure.

Procedure for approval of tariffs (prices, fee rates) in accordance with the simplified procedure shall be determined by the authorized body, with the exception of the cases stipulated in paragraph 3 of Article 15 of the present Law.";

to insert paragraph 5-1 as follows:

"5-1. A subject of natural monopoly, who has received assets into his ownership following the concluded transaction or selling of assets of a bankrupt - being a subject of natural monopoly, declared bankrupt – shall render regulated services (goods, works) to consumers according to the tariffs (prices, fee rates), or their maximum rates and tariff estimates, that were approved earlier by an authorized body for the owners of these assets or property, to be recovered in the course of the bankruptcy proceedings, until an application for approval of tariffs (prices, fee rates) and tariff estimates for regulated services (goods, works) is submitted, but no longer than for six months.";

in paragraph 6:

to insert words "and tariff estimates" after the words "tariffs (prices, fee rates)";

to insert paragraph 7 as follows:

"7. Validity terms of certain rate of a tari

To perform actions specified in sub-paragraph 4-1) of paragraph 1 of the present Article, a natural or a juridical person is obliged to prior submit the information to the authorized body.";

18) to eliminate Article 18-2;

19) in paragraph 3 of Article 18-3:

to insert the word "regulated" after the word "rendered";

20) in Article 18-4:

paragraph 1 to reword as follows:

"1. Procurement of services (goods, works), the expenditures for which are counted when approving tariffs (prices, fee rates), or their maximum rates and tariff estimates, for regulated services (goods, works) of the subject of natural monopoly, is carried out in the tender, with the exception of cases stipulated in paragraphs 4 and 5 of the present Article.";

paragraph 3 to reword as follows:

"3. Procurement procedure shall be determined by an authorized body.

This requirement does not apply to the cases of procurement in accordance with the legislation of the Republic of Kazakhstan on Government's Procurement by state bodies, state institutions, as well as state enterprises, juridical persons, fifty or more percent of shares (equities) or the controlling block of shares of which belongs to the state, and by juridical persons affiliated with them.";

to insert paragraph 3-1 as follows:

"3-1. A subject of natural monopoly has a right to act as the sole organizer of a competition for its own affiliated persons.";

paragraph 4 to reword as follows:

"4. In cases stipulated by the legislation of the Republic of Kazakhstan, the authorized body has a right to give its consent to the subject of natural monopoly to carry out procurement through the closed competition, procurement from

initial conditions, the authorized body shall have the right to refer a claim to the court on acknowledgement of the stated acts as (fully or partially) invalid and (or) on coy.6Jgeme2wauthoriz