



## On approval of the Rules for the sale of privatization facilities

### *Unofficial translation*

Resolution of the Government of the Republic of Kazakhstan dated August 9, 2011 № 920.

#### Unofficial translation

In pursuance of paragraph 2 of Article 100 of the Law of the Republic of Kazakhstan "On State Property", the Government of the Republic of Kazakhstan **hereby RESOLVES**:

**Footnote. Preamble - as amended by Resolution № 1133 of the Government of the Republic of Kazakhstan dated 30.12.2022.**

1. To approve the attached Rules for the sale of privatization facilities.
2. To recognize as invalid some decisions of the Government of the Republic of Kazakhstan in accordance with the Annex to this resolution.
3. This resolution shall be enforced upon expiry of ten calendar days after its first official publication.

*Prime Minister of the Republic of Kazakhstan*

*K.Massimov*

Approved by  
resolution of the Government  
of the Republic of Kazakhstan  
dated August 9, 2011 № 920

## Rules for sale of privatization facilities

**Footnote. Rules in the wording of the resolution of the Government of the RK 31.12.2015 № 1174 (shall be enforced from the date of its first official publication)**

1. These Rules for the sale of privatization targets (hereinafter - the Rules) have been developed pursuant to paragraph 2 of Article 100 of the Law of the Republic of Kazakhstan "On State Property" (hereinafter -the Law) and regulate the procedure for the sale of privatization targets at trading in the form of an auction and tender, closed tender, trading on the stock exchange, two-stage tender, direct address sale, sale of derivative securities certifying the right to shares of joint-stock companies held by the state.

**Footnote. Paragraph 1 - as amended by Resolution № 1133 of the Government of the Republic of Kazakhstan dated 30.12.2022.**

### Chapter1. General provisions

**Footnote. The heading of Chapter1 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

2. The following basic concepts shall be used in these Rules:

1) current price - the price of the privatization target, which is formed in the course of trading in the form of a price increase auction, or the declared price, which is formed in the course of trading in the form of a price lowering auction;

2) initial price - the price of the privatization target, determined by a report on the privatization target valuation, submitted by independent advisers or an appraiser, and established by the commission on privatization of state property targets;

3) auction - a form of trade, in which participants shall declare their proposals publicly, carried out using the web portal of the register in electronic format;

4) the auction hall - a section of the web portal of the register, providing the possibility to enter, store and process information necessary for the auction;

5) auction number - the number assigned to the participant for participation at the auction if there is an electronic digital signature issued by the national certifying center of the Republic of Kazakhstan;

6) the starting price - the price at which trading for each object of privatization shall start;

7) tender by two-stage procedures - a form of trade, in which the winner of the tender shall be determined by the seller with the participation of independent consultants through step-by-step negotiations;

8) minimum price - the price below which the object of privatization cannot be sold;

9) a closed tender - a tender attended by a limited number of participants;

10) the object of privatization - the enterprise as a property complex; Production and non-production divisions and structural units of the enterprise as a property complex, privatization of which does not disrupt the closed technological cycle; property of state legal entities; stocks of joint-stock companies; participation in the authorized capital of limited liability partnerships; derivative securities certifying rights to shares of joint-stock companies belonging to the state;

11) the market value of the privatization object - the estimated monetary amount at which the privatization object can be disposed of on the basis of the transaction in conditions of competition, when the parties to the transaction act with all available information about the valuation object, calculated and without coercion;

12) the winner - participant of the auction, tender and closed tender, who offered the highest price for the object of privatization; The participant of the trading of the second phase of the two-stage competition, who offered the best conditions;

13) an amount of money transferred by the payer of the guarantee fee to the recipient of the guarantee fee to secure the fulfillment of an obligation to conclude a contract in tendering or fulfillment of another obligation;

14) participant - an individual or non-state legal entity registered in accordance with the established procedure for participation in an auction, tender, closed tender or tender by two-stage procedures;

14-1) participant's monetary balance (hereinafter - e-wallet) - a potential participant's personal account in the register used by the unified operator to record monetary funds deposited by the potential participant to the special transit account of the unified operator in a second-tier bank, related to:

the acceptance of guarantee fees for participation in bidding in the form of auction, tender and closed tender, except for bidding through two-stage procedures;

return of guarantee fees, except for cases provided for in subparagraphs 1) and 2) of part one of paragraph 23 of these Rules;

15) commission on privatization of state property facilities (hereinafter referred to as the commission) - a collegial body established by an authorized body for management of state property or a local executive body for preparation and conduct of tenders for privatization provided for by the Law;

16) the sale price - the final price of the privatization object established as a result of the tender, as well as the tender for transfer to the trust office or property hire (lease) with the right of subsequent ransom taking into account indexation;

**Note!**

**Subparagraph 17) shall be enforced from January 1, 2018 for the cities of regional significance, villages, settlements, rural districts with population more than two thousand people, from January 1, 2020 for the cities of regional significance, villages, settlements, rural districts with population two thousand and less people.**

17) the seller (the person making alienation of property) - authorized body on the state property, local executive body or the office of the akim of the city of regional significance, the village, settlement, rural district;

18) the buyer (purchaser) - the individual or non-state legal entity acquiring property in the course of alienation of the state property;

19) trading - type of privatization;

20) price increasing auction method - a method used in bidding in the form of an auction, where the starting price increases with a declared step;

21) price lowering bidding method - a method used in bidding in the form of an auction, where the starting price is lowered with a declared step;

22) independent consultants - legal entities, including foreign or their associations, participants of evaluation and (or) investment activities, and (or) financial consultations, engaged by the seller in order to assess the market value of the privatization object and (or) support the transaction on the privatization facilities;

23) tender - a form of trading, in which participants declare their price offers, loaded into a closed electronic envelope on a specially designated web page of the register;

24) the web-portal of the register - an Internet resource placed on the Internet at: [www.e-qazyna.kz](http://www.e-qazyna.kz), which provides a unified point of access to the electronic database on the facilities of sale of the register of state property (hereinafter referred to as the register);

25) the organizer - a seller or a legal entity or an individual, engaged in the procedure defined by the legislation on public procurement, organizing preparation and sale of privatization facilities;

26) electronic document - a document in which information is presented in electronic-digital form and verified by means of electronic digital signature;

27) electronic digital signature (hereinafter referred to as electronic digital signature) - a set of electronic digital symbols created by means of electronic digital signature and confirming validity of the electronic document, its ownership and stability of content.

Footnote. Paragraph 2 as amended by the resolution of the Government of the RK dated 29.12.2017 № 924 (the procedure of the enforcement see p.2); dated 16.04.2021 № 247 (shall be enforced ten calendar days after the date of its first official publication); dated 26.10.2024 № 890 (shall be enforced upon its first official publication).

Note!

Part one of paragraph 3 shall be enforced from January 1, 2018 for the cities of regional significance, villages, settlements, rural districts with population more than two thousand people, from January 1, 2020 for the cities of regional significance, villages, settlements, rural districts with population two thousand and less people.

3. The decision on privatization of the object shall be made by the authorized body on the state property, local executive body or the office of the akim of the city of regional significance, the village, settlement, rural district in coordination with a meeting of local community which within ten calendar days shall provide entry of information on privatization of the object (the schedule of sales) into the register.

The decision on privatization of organizations being subjects of natural monopoly or market entities occupying a dominant or monopoly position in the corresponding commodity market shall be made by the Government of the Republic of Kazakhstan.

The authorized body for the management of state property shall privatize republican property, including making a decision on privatization of republican property, as well as enterprises as a property complex, non-subjects of natural monopoly or market entities occupying a dominant or monopoly position in the market, shall ensure the preservation of republican property in the process of preparation of the facility for privatization, shall engage an intermediary to organize the privatization process, shall provide an assessment of the object of privatization, shall prepare and conclude contracts for the purchase and sale of the privatization object and shall monitor compliance with the terms of the contracts for the sale and purchase.

Note!

Part four of Paragraph 3 shall be enforced from January 1, 2018 for the cities of regional significance, villages, and settlements, rural districts with population more than two thousand people, from January 1, 2020 for the cities of regional significance, villages, settlements, and rural districts with population two thousand and less people.

Local executive bodies and apparatus of akim of the city of regional significance, village, settlements, rural district in agreement with the meeting of the local community shall carry out privatization of communal property, including making a decision on privatization of communal property, as well as enterprises as a property complex, shall engage an intermediary to organize the privatization process, shall assess the object of privatization, preparation and conclusion of contracts for purchase and sale of the privatization object and control over compliance with the terms of the contracts for purchase and sale.

When preparing a decision on privatization of the enterprise as a property complex, if the enterprise has material assets of the state material reserve, the draft decision shall be agreed with the authorized bodies in the field of state material reserve, mobilization training and defense.

**Footnote. Paragraph 3 in the wording of the resolution of the Government of the RK dated 29.12.2017 № 924 (the procedure of the enforcement see p.2).**

4. The sale of privatization facilities shall be carried out at the market value of the privatization object, which may be lower than the book value of the privatization object.

5. Alienation of state property shall be carried out in accordance with the procedure established by the Law and these Rules.

By decision of the Government of the Republic of Kazakhstan on the proposal of the authorized body of the relevant industry, object of privatizations shall be subject to alienation in accordance with Chapters 5, 7 and 9 of these Rules by sale:

- 1) at a tender in the form of a closed tender;
- 2) in a tender through two-stage procedures;
- 3) by direct targeted sale to a strategic investor.

At the same time, derivative securities certifying the rights to shares of joint stock companies owned by the state shall be subject to alienation by decision of the Government of the Republic of Kazakhstan (for republican property) or the relevant local executive body (for communal property) in accordance with Chapter 8 of these Rules.

By decision of the authorized body on state property (for republican property) or the corresponding local executive body (for communal property) on the basis of the commission's decision, object of privatizations shall be subject to alienation in accordance with Chapters 4, 5 and 6 of these Rules through:

- 1) sales by auction or tender;
- 2) stock exchange trading.

**Footnote. Paragraph 5 – as amended by the Decree of the Government of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

6. The sale of shares whose issue is not registered in accordance with the procedure established by the legislation of the Republic of Kazakhstan shall not be allowed.

7. The sale of shares of joint-stock companies owned by the state and the shares of the state in the authorized capital of limited liability partnerships shall be carried out in

compliance with the requirements established by the Laws of the Republic of Kazakhstan "On joint-stock companies", "On limited and additional liability partnerships", "On securities market" and other Laws of the Republic of Kazakhstan.

8. When selling state-owned shares, the buyer - joint stock company cannot purchase more than twenty-five percent of the shares of the joint stock company if the latter owns shares of the buyer.

In case of sale of shares of the state in the authorized capital of limited liability partnerships, the participants of the limited liability partnership shall use the right of purchase of the share of the participant or its part before third parties when it is sold by any of the participants, except in cases provided for by legislative acts.

9. When a state legal entity offers state property for sale, the written consent of the state body in whose administration the state legal entity is located shall be required. At the same time, it shall be necessary to provide the seller with title documents, as well as a document confirming the absence of encumbrances on the object of privatization.

If necessary, the seller requests documents to determine the technical and functional characteristics of the object of privatization.

The balance holder of the state property shall be liable for the safety of the object of privatization and the reliability of the information on the object of privatization before the transfer of ownership rights to the buyer.

After the publication of the notice, the balance holder provides free access to the inspection of the object of privatization to those wishing to purchase the object of privatization.

**Footnote. Paragraph 9 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

9-1. When selling the object of privatization in the form of a state block of shares of a joint stock company, state share of participation in the authorized capital of a limited liability partnership or an enterprise as a property complex, the authorized body of the relevant industry, which manages this object of privatization, shall submit to the seller for consideration of the commission a proposal on the method and conditions of its sale.

If necessary, the seller shall request documents on the composition of property and economic activity of the object of privatization.

The management of a joint stock company, limited liability partnership or enterprise as a property complex shall be responsible for the accuracy of information on the object of privatization in the form of a state block of shares of a joint stock company, state share of participation in the authorized capital of a limited liability partnership or enterprise as a property complex before the transfer of ownership rights to the buyer.

After publication of the notice, the authorized body of the relevant industry and the management of the joint stock company, limited liability partnership or enterprise as a

property complex shall provide free access to inspection to those wishing to purchase the object of privatization.

**Footnote. Chapter 1 was supplemented with paragraph 9-1 in accordance with the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

10. In the case of privatization of immovable property, the right to land plot is transferred to the buyer in accordance with the Land Code of the Republic of Kazakhstan.

Cadastral (estimated) value of the land plot shall be paid by the buyer separately in accordance with the Land Code of the Republic of Kazakhstan.

11. The seller shall sell the facilities of privatization according to the procedure defined by the Law and these Rules.

12. Functions of the seller shall be:

- 1) ensuring that the privatization object shall be evaluated;
- 2) determination of the form and conditions of trade for each object of privatization on the basis of the commission decision, except for cases of closed tender, competition through two-stage procedures, sale of derivative securities;
- 3) establishing the date of trade;
- 4) preparation and conduct of trade;
- 5) determination of initial price of privatization facilities on the basis of commission decision;
- 6) acceptance of the guarantee contributions of the participants by means of two-stage procedures;
- 7) implementation of realization of the securities belonging to the state on the stock exchange functioning in the territory of the Republic of Kazakhstan or the foreign states on the basis of the decision of the commission;
- 8) determination of the method of trading on the recommendation of the brokerage company when selling securities belonging to the state, on stock exchanges operating on the territory of the Republic of Kazakhstan or foreign states;
- 9) determination of the terms and duration of the listing of shares for stock exchange trading, the deadline limits and the date of withdrawal from stock exchange trading;
- 10) involvement of independent consultants in order to assess the market value of the privatization object and (or) support the transaction on privatization objects in accordance with the procedure determined by the central authorized body for state planning;
- 11) making a decision to remove privatization facilities from the trading;
- 12) preparation and submission, at the buyer's request, of information on the encumbrances of privatization facilities, as well as the amount of payables and receivables concluded by the privatized enterprise, if the object of privatization is the enterprise as a property complex;

13) if there is a notification of the authorized body in the field of the state material reserve and the relevant central executive bodies within five working days after the decision on sale;

14) consideration of documents of tender participants or closed tender for compliance with their additional requirements and their admission to trading;

15) conclusion of a contract for organization and conduct of trading with the organizer in case of its attraction;

16) monitoring the organization and conduct of trading;

17) conclusion of purchase and sale contracts with the winners of trading and control over their execution;

18) carrying out with participants, buyers, organizer of settlements related to procedures of trading;

19) carrying out other measures necessary for carrying out privatization.

13. Not eligible for registration as participant of trading:

1) a legal entity who, in accordance with legislative acts of the Republic of Kazakhstan or constituent documents, shall not be entitled to engage in those types of activities, the implementation of which shall be a condition of sale of the privatization object at trading;

2) organizer;

3) joint-stock companies whose shares shall be owned by a joint-stock company whose shares in excess of twenty-five percent of the authorized capital are put up for trading.

**Footnote. Paragraph 12 as amended by the resolution of the Government of the Republic of Kazakhstan dated 27.07.2023 № 611 (effective ten calendar days after the date of its first official publication); dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

## **Chapter 2. Commission**

**Footnote. The heading of Chapter 2 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

14. To organize and conduct trading, the seller must form a commission, comprised of representatives of the seller, other state bodies (territorial units) and (or) representative bodies, the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" and regional chambers of entrepreneurs (in the Commission under local executive bodies). The commission shall be comprised of at least 5 members. The chairman of the commission shall be a representative of the seller. The secretary shall not be a member of the commission.

Decisions of the Commission shall be made by a simple majority of votes from the total number of present members. When votes shall be equal, the Chairman's vote shall be decisive. The decisions of the Commission shall be of a recommended nature for the seller.

**Footnote. Paragraph 14 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

15. The functions of the Commission shall be as follows:

- 1) to develop independently the regulations of its work;
- 2) to make a decision on the form and conditions of trade for each object of privatization on the basis of the commission decision, except for cases of closed tender, competition through two-stage procedures, sale of derivative securities;
  - 2-1) to consider the proposals of the authorized body of the relevant industry and decides on the form and terms of bidding for each object of privatization in the form of a state block of shares in a joint stock company, a state interest in the charter capital of a limited liability partnership or an enterprise as a property complex, except in cases of closed tender and competition through two-stage procedures;
- 3) to make a decision on the sale of securities owned by the state on the stock exchange operating on the territory of the Republic of Kazakhstan or foreign states;
- 4) to make a decision on establishing the initial price of the privatization object based on the evaluation of the privatization object;
- 5) to make a decision on the terms and duration of the listing of shares for stock exchange trading, the limit terms of realization and the date of withdrawal from stock exchange trading;
- 6) to make a decision on the tender terms, except for sale of privatization facilities provided for in paragraph 61 of these Rules;
- 7) to make a decision on additional requirements for participants (a buyer);
- 8) to make a decision on the expediency of further placing the privatization object for trading, except in cases provided for in paragraph 39 of these Rules;
- 9) to review the documents of the participants by means of two-stage procedures and allow them for trading;
- 10) to declare the winner of the contest by means of two-stage procedures.

**Footnote. Paragraph 15 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

16. Preparation for the trading shall be carried out by the seller, who ensures timely publication of the trading notice receives applications for trading and registers participants by means of two-stage procedures, transmits the received tender materials by means of two-stage procedures for consideration by the commission.

### **Chapter 3. Arrangements for the trading**

**Footnote. The heading of Chapter2 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

17. The preparation for trading shall be as follows:

- 1) the necessary materials shall be collected on the object of privatization;
- 2) the initial price of privatization facilities shall be determined based on the evaluation of the privatization object;
- 3) the trading form shall be determined on each privatization target;
- 4) privatization facilities shall be distributed into separate trading;
- 5) the procedure for payment of the guarantee contribution shall be determined;
- 6) the terms of trading shall be established;
- 7) if necessary, the organizer shall be engaged;
- 8) a notice of trading shall be published;
- 9) guarantee contributions shall be accepted;
- 10) participants shall be registered;
- 11) the draft contract of sale shall be prepared.

**Footnote. Paragraph 17 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

18. The assessment of privatization facilities, the book value of which shall be more than 2,500,000 times the monthly calculation indicator established by the Law on the Republican Budget and in force as of January 1 of the corresponding financial year, shall be carried out by independent consultants in accordance with international valuation standards.

19. The assessment of privatization facilities, the book value of which shall be less than 2500000 times the size of the monthly calculation indicator established by the Law on the republican budget and in force as of January 1 of the corresponding financial year, shall be carried out in accordance with the legislation of the Republic of Kazakhstan on evaluation activities.

20. The guarantee fee paid by an individual or a non-state legal entity to participate in the auction shall be fifteen percent of the initial price of the object of privatization.

The guarantee fee for participation in the auction, tender and closed tender shall be paid to the details of the single operator in the sphere of state property accounting (hereinafter - the single operator) in the form and manner established in the notice.

The single operator shall not use the guarantee fees received on the special transit account for participation in the bidding, which are not recognized as its own assets.

The guarantee fee for participation in the tender through two-stage procedures shall be paid to the seller's details in the form and manner established in the notice.

The guarantee fee shall be paid by the participant or on behalf of the participant by any other individual or non-state legal entity.

**Footnote. Paragraph 20 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

21. Participants shall be allowed to make any number of guarantee contributions, with one guarantee contribution giving the right to purchase the object of privatization for which the participant has made the guarantee contribution.

22. The guarantee contribution of the winning participant of the trading who concluded the sales contract shall be applied against the payments due under the sales contract.

If the amount of the security deposit exceeds the sale price, the winner's e-wallet will be unlocked with the difference on the day the seller and buyer conclude the purchase and sale agreement on the registry web portal.

**Footnote. Paragraph 22 in the wording of the resolution of the Government of the RK dated 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

23. The guarantee contribution shall not be returned by the seller:

1) to the winner - in cases of non-signing of the minute on the results of trading or the contract of purchase and sale;

2) to the buyer - in case of non-fulfillment or improper fulfillment of obligations under the contract of purchase and sale.

In all other cases, the deposited funds for the amount of the guarantee fee shall be unblocked in the e-wallet of the participant of an auction, tender or closed tender on the day of the auction, and the guarantee fee of the participant of a tender through two-stage procedures shall be returned by the seller not later than three working days from the date of submission of the application.

The guarantee contributions shall be returned to the details specified by the participant of the trading by an individual or non-state legal entity in the application for return of the guarantee contribution.

**Footnote. Paragraph 23 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

24. The notice of the auction shall be published by the seller at least fifteen calendar days prior to the auction.

The notice shall be published in Kazakh and Russian languages on the web-portal of the Registry.

After publication of the notice of the auction on the web portal of the Register, the seller shall additionally place on its Internet resource and (or) on social networking sites an information message on the auction with a link to the notice published on the web portal of the Register.

Publication of a notice of sale of shares, stakes in the authorized capitals of organizations, state enterprises as property complexes subject to the requirements of the antimonopoly legislation shall be allowed after the expiration of sixty calendar days from the date of inclusion of information on the object (sale schedule) in the register.

**Footnote. Paragraph 24 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

25. The notice of trading shall contain the following information:

- 1) date, place and time of holding trading;
- 2) type, form and method of trading;
- 3) information about the object of privatization (when selling shares the name and information about the issuer of shares, the number of sold shares are specified);
- 4) starting and minimum prices (in case of holding the auction for reduction of the price) of privatization facilities put up for sale;
- 5) the amount of the guarantee fee and bank details for its transfer;
- 6) place and time of applications acceptance;
- 7) procedure of holding the trading, including on registration of participation in trading, terms of determination of winner of the trading;
- 8) telephones and location of the seller and/or organizer of the trading and balance holder;
- 9) additional information on the seller's decision.

The notice on sale of securities belonging to the state on stock exchanges operating on the territory of the Republic of Kazakhstan or foreign countries shall contain the following information:

- 1) date and time of beginning of trading;
- 2) place of holding of trading;
- 3) name of the issuer of shares;
- 4) information about the issuer;
- 5) number of sold shares;
- 6) telephones and location of organizer of the trading;
- 7) other information concerning the sale of securities owned by the state, at the seller's discretion.

**Footnote. Paragraph 25 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

26. Before posting a notice on sale for each privatization target the seller shall have electronic copies of the following documents entered in the register:

- 1) a report on the valuation of the privatization object;
- 2) photographs of the privatization object (only for real estate, transport, equipment and other tangible property), providing an idea of the technical condition in the amount of not less than 5 pieces;
- 3) draft contract of sale.

After the publication of the notice of sale of the privatization object, the seller shall provide free access to information about the privatization object through the web portal of the register.

**Footnote. Paragraph 26 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

27. Registration of participants of trading shall be made from the date of publication of the notice and shall end five minutes before the beginning of the auction, tender, closed tender and twenty-four hours before the beginning of the tender by two-stage procedures, after which the participants of trading cannot withdraw the submitted application.

**Footnote. Paragraph 27 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

28. In order to participate in the auction, tender and closed tender, it shall be first necessary to register on the web portal with the following information:

1) for individuals: individual identification number (hereinafter referred to as IIN), surname, first name and patronymic name (if any);

2) for legal entities: business identification number (hereinafter referred to as BIN), full name, surname, first name and patronymic name (if any) of the first manager;

3) details of the settlement account with the second tier bank for the return of the guarantee contribution;

4) contact details (postal address, telephone, fax, e-mail).

In the event of the above data change, the participant shall enter the relevant changes to the data on the registry web portal within one business day.

**Footnote. Paragraph 28 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

29. In order to register as a participant in the auction, tender and closed tender, it shall be necessary to register on the web portal of the register the application for participation in the trading in the form according to the Annex to these Rules signed by the participant's electronic digital signature.

Participants of the tender and closed tender shall register an application with agreement to the terms of the tender and a price offer, which shall be loaded into an electronic envelope on a dedicated web page of the register with the application of electronic (scanned) copies of documents confirming compliance with the additional requirements for the participant (buyer) specified in the trading notice.

**Footnote. Paragraph 29 in the wording of the resolution of the Government of the RK dated 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).**

30. The winner of the auction, tender and closed tender shall submit to the seller when signing the contract of purchase and sale copies of the following documents, with mandatory presentation of originals for reconciliation or notarized copies of the specified documents:

1) for individuals: passport or identity document of an individual;

2) for legal entities: certificates or certificates on state registration (re-registration) of a legal entity;

a document certifying the credentials of the representative of the legal entity, as well as a passport or a document certifying the identity of the representative of the legal entity;

when selling state-owned shares - extract from the register of shareholders containing information on joint-stock companies that shall own shares of the participant (at the time of publication of the notice).

Foreign legal entities shall submit notarized copies of the constituent documents with notarized translation into Kazakh and/or Russian.

The winner of the tender and the closed tender also shall present to the seller when signing the contract of purchase and sale originals or notarized copies of documents attached to the application.

The original documents shall be returned within one working hour after reconciliation.

31. The seller and organizer shall not be allowed:

1) to disclose information related to participants of trading during the whole period of preparation of trading and their conduct, except in cases provided for by legislative acts of the Republic of Kazakhstan;

(2) to require the submission of additional documents other than those listed in paragraph 29 of this Rules.

32. Applications and attached electronic (scanned) copies of documents of participants in the auction, tender and closed tender shall be stored in the registry database and shall be inaccessible for downloading and viewing until the time and date indicated in the notice on the conduct of the auction.

**Footnote. Paragraph 32 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

33. After registration of an application for participation in an auction, tender and closed tender, the web portal of the registry within three minutes performs an automatic check for the availability of funds in the e-wallet for the amount of the guarantee fee for the object of sale for which the application has been submitted.

The grounds for refusal of the web portal of the register to accept the application shall be non-compliance by the participant with the requirements specified in paragraphs 28 and 29 of these Rules, as well as the absence in the e-wallet five minutes before the start of the auction of funds for the amount of the security deposit specified in the notice of the auction.

If there are funds in the e-wallet for the amount of the security deposit for the object of sale for which an application has been submitted, the web portal of the Registry shall block them until the results of the auction are determined, accept the application and admit

participants in the auction, tender and closed tender. If there are no funds in the electronic wallet for the amount of the guarantee fee, the web portal of the Registry rejects the bid of the participant.

Based on the results of the automatic check, the web portal of the Registry shall send to the participant's e-mail address specified on the web portal of the Registry an electronic notification of acceptance of the application or reasons for rejection of the application.

**Footnote. Paragraph 33 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

34. The web portal of the registry shall cancel the auction number of the participant who has withdrawn an electronic application for participation in an auction, tender, closed tender no less than five minutes before the start of the auction.

**Footnote. Paragraph 34 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

35. To register as a participant of contest through two-step procedures, you must submit:

1) an application for participation in trading in the form according to the Annex to these Rules;

2) for individuals:

a copy of the passport or identity document of the individual, with the mandatory presentation of the original for verification or a notarized copy of the given document;

the original certificate from the bank confirming the existence of the current account;

for legal entities:

a copy of the statute with mandatory presentation of the original for reconciliation or a notarized copy of the given document;

a copy of the certificate of state registration (re-registration) of the legal entity with mandatory presentation of the original for reconciliation or a notarized copy of the specified document or a certificate of state registration (re-registration) of the legal entity;

original certificate from the bank confirming bank account.

The original documents shall be returned within one working hour after reconciliation.

The original certificate from the bank confirming the existence of a bank (current) account shall not be returned.

Joint-stock companies, with participation in the contest by means of two-stage procedures for sale of shares owned by the state, shall submit the original extract from the register of shareholders, containing information on joint-stock companies that own their shares (at the time of publication of the notice).

3) the original and a copy of the payment document confirming the payment of the guarantee contribution (the original payment document shall be returned upon application of the participant after the trading);

4) the original document certifying the credentials of the representative of the legal entity, as well as a copy of the passport or document certifying the identity of the representative of

the legal entity with the presentation of the original returned after the reconciliation, or a notarized copy of the passport or document certifying the identity of the representative of the legal entity.

Offers for participation in the contest by means of two-stage procedures shall be submitted in writing in a closed envelope.

36. Foreign legal entities shall submit notarized copies of the constituent documents with notarized translation into Kazakh and/or Russian.

37. Acceptance of applications and registration of persons wishing to participate in the contest by means of two-stage procedures shall be carried out if a full set of required documents is available.

When the application is submitted on purpose, the seller shall verify the availability of the required documents on site within one working hour and, in the absence of one of the documents referred to in paragraph 35 of these Rules, the application submitted shall not be registered.

Upon receipt of an application by mail, in the absence of one of the documents referred to in paragraph 35 of these Rules, the submitted application shall not be registered, which the seller shall inform in writing to the applicant within one working day.

38. Documents of the participant of the contest by means of two-stage procedures after registration in the register shall be stored in the safe and shall be transmitted to the commission on the day of its holding for consideration and admission to the contest by means of two-stage procedures.

39. If the state enterprise as a property complex is not sold on the basis of the results of three trading held, the state enterprise shall be subject to reorganization by accession or merger or shall be subject to liquidation.

In the event that the tendered one hundred percent of shares of joint-stock companies and stakes in the authorized capital of limited liability partnerships held by the state are not sold in three auctions, these legal entities are subject to reorganization by affiliation or merger or are subject to liquidation.

**Footnote. Paragraph 39 in the wording of the resolution of the Government of the Republic of Kazakhstan dated 05.06.2019 № № 372 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Chapter 4. Conducting an auction**

**Footnote. The heading of Chapter 4 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

40. The auction is held in two ways:

1) to increase the price;

2) to lower the price.

When conducting a price increase auction, the starting price of the privatization target is equal to the initial price of the privatization target.

When conducting a price lowering auction, the starting price of the privatization target is determined by multiplying the initial price by a mark-up factor equal to 3.

**Footnote. Paragraph 40 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

41. The privatization target for the first trading shall be auctioned with the price increase method applied.

For the second trading, the privatization target shall be auctioned using the price lowering method with the establishment of a minimum price in the amount of fifty percent of the initial price.

In the third trading, the privatization target shall be auctioned using the price lowering method without setting a minimum price.

Each subsequent trading in the form of an auction shall be conducted no later than thirty calendar days from the date of the previous auction.

**Footnote. Paragraph 41 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

42. The participant admitted to the auction shall be given access to the auction room by the auction number assigned by the web portal of the register.

The auction participants shall be admitted to the auction room within one hour before the auction start using the EDS and the auction number. The auction shall be started at the Astana time indicated in the notice of the auction by automatically placing the starting price of the privatization target in the auction room.

**Footnote. Paragraph 42 as amended by the resolution of the Government of the RK dated 05.06.2019 № 372 (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 30.12.2022 № 1133.**

43. The auction in the auction room shall be conducted from Tuesday to Friday, except for holidays and weekends under the legislation of the Republic of Kazakhstan. The auction shall be held from 10:00 to 17:00 Astana time, while the auction starts no later than 15:00 Astana time.

**Footnote. Paragraph 43 as amended by Resolution № 1133 of the Government of the Republic of Kazakhstan dated 30.12.2022.**

44. In the absence of registered participants at the start time of the auction for the privatization target, the auction for this privatization target shall be declared invalid and the seller shall sign the act on invalid auction, which is formed by the registry web portal.

**Footnote. Paragraph 44 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

45. If within twenty minutes from start of the price increase auction in the auction room none of the participants confirmed their wish to purchase the privatization facility at the starting price, then the price increase auction on this privatization facility shall be declared invalid.

If the price of the privatization facility has reached the set minimum amount and none of the registered participants has confirmed their wish to acquire the privatization target, then the price decrease auction shall be declared invalid.

If at the end of the price decrease auction at 17:00 the winner of the auction is not determined, then the auction for this privatization facility shall be declared invalid.

In the cases referred to in this paragraph of these Rules, the seller shall sign an act on invalid auction, formed by the web portal of the registry, and this privatization facility shall again be put up for auction with the conditions of the invalidated auction.

**Footnote. Paragraph 45 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

46. The change step of the price shall be set as follows:

1) at the starting or current price of the privatization object in the amount of up to 20,000 times the size of the monthly calculated indicator, the change step of the price shall be set at the auction for price increase in the amount of 10 percent and at the auction for price reduction in the amount of 5 percent;

2) at the starting or current price of the privatization object in the amount of 20000 to 50000 times the size of the monthly calculated indicator, the change step is set at the auction for price increase in the amount of 7 percent and at the auction for price reduction in the amount of 5 percent;

3) at the starting or current price of the privatization object in the amount of 50000 times to 100000 times the size of the monthly calculated indicator, the change step shall be set at 5 percent;

4) at the starting or current price of the privatization object in the amount of 100,000 to 250,000 times the size of the monthly calculated indicator, the step of change shall be set at the auction for price increase in the amount of 2.5 percent and at the auction for price reduction in the amount of 5 percent;

5) at the starting or current price of the privatization object in the amount of 250,000 times to 500,000 times the size of the monthly calculated indicator, the step of change shall be set at the auction for price increase in the amount of 1 percent and at the auction for price reduction in the amount of 5 percent;

6) at the starting or current price of the privatization object in the amount of 500,000 times the size of the monthly calculated indicator and higher, the step of change shall be set at the auction for price increase in the amount of 0.5 percent and at the auction for price reduction in the amount of 5 percent.

The auction shall be held according to one of the two methods described below.

47. The price increase auction:

1) if within twenty minutes from the moment of confirming the starting price in the auction room, one of the participants confirms his wish to purchase the privatization object by increasing the starting price of the privatization object by a step established as required by paragraph 46 of these Rules, then the starting price shall be increased by the established step;

1-1) if within twenty minutes after confirmation of the starting price in the auction room, none of the participants confirm their wish to acquire the privatization facility by increasing the starting price, then the participant who confirmed the starting price shall be recognized as the winner, and the auction for this sale target shall be recognized as valid;

2) if within twenty minutes after the increase in the current price, none of the participants confirm their wish to acquire the privatization object by increasing the current price, then the participant who was the last to confirm his wish to purchase the privatization object shall be recognized as the winner, and the auction for this privatization object shall be recognized as valid;

3) if at the end of the price increase auction at 17:00 the winner of the auction is not determined, then the winner shall be the participant who was the last to confirm his wish to acquire the privatization target, and the auction for this privatization target shall be recognized as valid.

The price increase auction on the privatization target shall proceed up to the maximum price offered by one of the participants.

A price increase auction with only one participant in it shall be recognized as completed if the participant confirmed the starting price.

**Footnote. Paragraph 47 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

48. The price lowering auction:

1) if within two minutes from the beginning of the auction none of the participants confirmed their wish to acquire the privatization target in the auction, then the starting price of the privatization target shall be reduced by a step established as required by paragraph 46 of these Rules;

2) if within two minutes after the price reduction none of the participants confirmed their wish to purchase the privatization target, then the last current price of the privatization target shall be lowered with the established step.

The participant who first confirmed his wish to acquire the privatization target at the current price shall be recognized the winner and the auction for this privatization target shall be recognized as completed.

The price lowering auction with only one participant shall be recognized as completed if the participant confirmed the starting or announced price.

**Footnote. Paragraph 48 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

49. The results of the auction for each sold privatization object shall be executed by a protocol on the results of the trading, which shall be signed on the web portal of the register by the seller and the winner using the EDS on the day of the trading.

50. The protocol on the results of trading shall be a document recording the results of the auction and the obligations of the winner and the seller to sign the contract of purchase and sale of the privatization object at the sale price. The contract of purchase and sale shall be concluded in electronic format on the web portal of the register and signed by the seller and the buyer using the EDS within not more than ten calendar days from the date of signing of the protocol on the results of trading. At the same time, the seller shall submit to the buyer a draft contract of sale for signing within not more than five calendar days from the date of signing of the protocol on the results of trading.

**Footnote. Paragraph 50 in the wording of the resolution of the Governments of the RK dated 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).**

51. In case of non-signing by the winner of the protocol on the results of trading or the contract of sale within the terms specified in paragraphs 49 and 50 of these Rules, the seller signs the certificate on cancellation of the results of the auction, formed by the web portal of the register, and this object of privatization shall be again put up for trading with the terms of cancelled trading.

**Footnote. Paragraph 51 in the wording of the resolution of the Governments of the RK dated 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).**

52. A unified operator shall operate the web portal of the register and shall accept the guarantee contributions of participants of trading.

Unified operator shall:

1) transfer the security deposit unblocked in the e-wallet of the successful bidder to the relevant budget classification code on the basis of the application for transfer of the security deposit signed by the seller using EDS on the web portal of the Registry;

2) return funds from the e-wallet to the bidders on the basis of applications for return of funds signed by the bidders using EDS on the web portal of the Registry within three working days from the date of submission of the application to the unified operator;

3) ensures the possibility of multiple use of the participants' funds unblocked in the e-wallet to submit their application for participation in subsequent auctions, tenders and closed tenders.

**Footnote. Paragraph 52 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

53. If a technical failure occurs during the auction that prevents participation in the auction, the participant shall:

1) be notified within 30 seconds from the moment of absence of stable communication with the web portal of the register by displaying to the auction participant's monitor an electronic notification with contact data of a unified operator;

2) immediately by telephone or electronic message inform about it according to contact data of the unified operator.

54. A unified operator shall register the fact of a technical failure and, if it exists on the side of web portal of the register, shall notify all participants in the auction by posting information on web portal of the register.

55. In case of technical failure of computer and/or telecommunication equipment of the participant the auction continues.

56. In the event of a technical failure of the register web portal referred to in paragraph 54 of these Rules, preventing the auction or auction procedure, the unified operator notifies the seller in writing and transfers the auction to the next working day after the day of correction of the technical failure with mandatory prior notification of the participants of the auction about the date and time of continuation of this auction by posting information on the web portal of the register and sending an electronic message to the e-mail address of the participant specified on the web portal of the register.

## **Chapter 5. Conduct of a tender and a closed tender**

**Footnote. The heading of Chapter 5 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

57. The tender must be open. In exceptional cases affecting national security, environmental protection, external economic situation of the Republic of Kazakhstan, by decision of the Government of the Republic of Kazakhstan, a closed tender may be conducted

Participation in the closed tender shall be accepted by a limited number of participants, determined by the commission on the basis of proposals of interested state bodies. Invitations to participate in the closed tender with all the terms and conditions of the closed tender are sent out by the seller. The registration of applications of persons, to whom the invitation to

participate has been sent, who wish to participate in the closed tender, shall be carried out on the web portal of the register from the day of sending out the written invitations and ends five minutes before the start of the closed tender.

**Footnote. Paragraph 57 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication); dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

58. The tender or closed tender shall be organized and executed by the seller. When the privatization object is put up for the first tender or closed tender, the starting price of the privatization object shall be equal to the initial price.

59. A tender or a closed tender shall be held on the web portal of the registry from Tuesday to Friday, except for holidays and weekends under the legislation of the Republic of Kazakhstan. A tender or a closed tender shall be held from 10:00 to 13:00, Astana time.

**Footnote. Paragraph 59 as amended by Resolution № 1133 of the Government of the Republic of Kazakhstan dated 30.12.2022.**

60. When a privatization target is put up for the second and third tenders or a closed tender, the starting price shall be reduced by fifty percent of the starting price of the previous tender or a closed tender.

Each subsequent tender or a closed tender shall be held no later than thirty calendar days from the date of the previous tender or a closed tender.

**Footnote. Paragraph 60 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

61. In case of sale of the state enterprises as property complexes, stocks (shares) of joint-stock companies (limited liability partnerships) in which authorized capital a controlling stake (share) the state owns, a condition of the tender or the closed tender shall be preservation of a profile of activity.

The term of keeping the profile of activities of state enterprises, joint - stock company (limited liability partnerships) in the authorized capital of which the controlling stake (participation share) belongs to the state shall be determined by the seller.

62. In the event of absence of the registered participants at the start of the tender or a closed tender for the privatization object, the tender or a closed tender shall be declared invalid. A tender or a closed tender with only one participant in it shall be recognized as valid if the participant has offered a cost not less than the starting price.

If a tender or closed tender is declared to have failed, the seller shall sign a failed tender or closed tender certificate formed by the web portal register.

**Footnote. Paragraph 62 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

63. Applications for participation in a tender or in a closed tender shall be opened automatically by means of the web portal register after the date and time of the tender specified in the tender notice.

64. Applications for participation in a tender or a closed tender are considered by the seller on the web portal of the register in order to identify participants who meet the additional requirements for participants (buyer) of the object specified in the notice of trading.

65. The winner shall be the participant who offered the highest price for the object of privatization. If at the tender or closed tender the proposals of two or more participants contain the same highest price, the winner of the tender or closed tender among these participants shall be the participant whose application has been accepted earlier than other applications of the participants.

66. The tender minutes shall specify:

1) a list of participants who do not meet the requirements for participants (buyer), with an indication of the reason;

2) a list of participants who meet the requirements for participants (buyer), on which the web portal of the register automatically compares price proposals of the participant of the tender;

3) the winner who offered the highest price for the object of privatization.

67. The winner of the tender or closed tender shall be notified of the results of the tender by e-mail for signature of the minutes on the results of the trading.

The minute on the results of the trading shall be formed by the web portal of the register, signed with the use of the EDS by the seller and the winner of the tender or closed tender on the day of the trading.

68. The minute on the results of the tender shall be a document recording the results of the tender or closed tender and the obligation of the winner and the seller to sign the contract of purchase and sale of the privatization object on the terms and conditions resulting from the tender or closed tender. The contract of purchase and sale shall be concluded in electronic format on the web portal of the register and signed by the seller and the buyer using the EDS within not more than ten calendar days from the date of signing of the minute on the results of trading. At the same time, the seller shall submit to the buyer a draft contract of sale for signing within not more than five calendar days from the date of signing of the minute on the results of trading.

**Footnote. Paragraph 68 in the wording of the resolution of the Governments of the RK dated 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).**

69. If the winner does not sign the protocol on the auction results or the purchase and sale contract within the terms specified in paragraphs 67 and 68 of these Rules, the seller shall sign an act on the auction results cancellation, formed on the web portal of the registry, and this privatization target shall be re-auctioned on the terms of the canceled auction.

Footnote. Paragraph 69 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).

## **Chapter 6. Sale of securities held by the state on stock exchanges operating in the territory of the Republic of Kazakhstan or foreign states**

Footnote. The heading of Chapter 6 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).

70. The sale of securities belonging to the state on stock exchanges operating on the territory of the Republic of Kazakhstan or foreign states (hereinafter referred to as stock exchange) shall be carried out by the seller on the basis of the commission decision.

71. Securities to be sold on the stock exchange shall be traded by the seller through brokerage companies.

72. The determination of the brokerage company for the right to sell securities shall be carried out by the seller in accordance with the legislation of the Republic of Kazakhstan on public procurement.

73. When selling securities belonging to the state on a stock exchange, the relations arising in connection with their sale between the seller and brokerage companies are regulated by the relevant contract.

74. Securities shall be sold in trading systems of the stock exchange in accordance with the exchange trading rules of the corresponding stock exchange.

## **Chapter 7. Two-stage competition**

Footnote. The heading of Chapter 7 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).

75. The two-stage competition shall be held with involvement of independent advisors by decision of the Government of the Republic of Kazakhstan, which determines the price priority and (or) other privatization conditions.

Footnote. Paragraph 75 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).

76. The contest by means of two-stage procedures shall include the following action plan:

1) to involve an independent consultant in accordance with the procedure established by Article 100-1 of the Law, to carry out a comprehensive analysis of the privatization object, to assess its cost and to form for potential buyers (investors) an information database on the privatization object;

2) posting by the seller of a notice of the sale of the privatization target in Kazakh and Russian on the web portal of the register, as well as mailing by an independent adviser of a sale offer to potential buyers (investors);

3) forming a list of applications containing offers of potential buyers (investors) by an independent consultant;

4) conducting negotiations with potential buyers (investors) by the seller with the participation of an independent consultant on the list of applications in order to identify at least two potential buyers (investors) who submitted the best offers during the negotiations (the first stage of the contest);

5) conducting negotiations with the winners of the first stage with the participation of an independent consultant to improve the previously proposed conditions (the second stage of the contest).

**Footnote. Paragraph 76 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

77. At the meeting of the commission at the contest by means of two-stage procedures applications with proposals of participants shall be studied and compared by all members of the commission. The Commission shall verify compliance with all formalities, shall determine the availability of the required information and documents.

78. As a result of each stage of negotiations, a minute on its results shall be signed by the seller, independent consultant and all participants of the contest through two-stage procedures

79. The winner of the contest through two-stage procedures shall be recognized as a potential buyer (investor) who offered the best conditions during the second stage of the contest through two-stage procedures.

80. In cases of refusal or avoidance of the winner of the contest by means of two-stage procedures from signing the contract of purchase and sale within the time limits set by the seller, his guarantee contribution is withheld by the seller and the contract of sale with the potential buyer (investor) is signed, the offer of which is considered to be the best after the offer of the winner of the contest.

## **Chapter 8. Sale of derivative securities certifying the rights to shares of joint-stock companies held by the state**

**Footnote. The heading of Chapter 8 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

81. The sale of derivative securities certifying the rights to shares of joint-stock companies belonging to the state shall be carried out by the decision of the Government of the Republic of Kazakhstan or the relevant local executive body.

82. The main terms of sale of derivative securities shall be submitted by the seller for approval by the Government of the Republic of Kazakhstan or by the local executive body for approval by the relevant local representative body.

83. The decision on the sale of derivative securities should contain information on the number of shares owned by the state to which derivative securities have been issued, the type of derivative securities sold, the foreign state (s) in whose territory the derivative securities are to be sold, the maximum terms of completion of the transaction, the conditions and procedure for exercising the rights of owners of derivative securities.

## **Chapter 9. Direct address sale**

**Footnote. The heading of Chapter 9 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

84. Direct address sale shall be subject to facilities transferred to property hire (lease) or trust management with the right of subsequent ransom respectively to the employer (tenant) or trustee, as well as determined by the decision of the Government of the Republic of Kazakhstan, subject to transfer to a strategic investor.

Sale of the privatization object to employers (tenants) and trustee shall be permitted only if they properly fulfill the relevant contract.

Direct targeted sale of state property by the decision of the Government of the Republic of Kazakhstan shall be carried out to a strategic investor - Kazakh or foreign legal entity (their associations), meeting the following criteria:

experience in the field of activities related to the sale of the privatization facility;

acquisition of a large stake (share in the authorized capital) to participate in the management of the privatization object, as well as in its development through the transfer of technologies, including the receipt of undisclosed information (secrets of production (know-how) and the involvement of highly qualified specialists.

Direct targeted sale shall take place when a strategic investor establishes and accepts obligations under:

- 1) volumes, types and terms of investments in the object of privatization;
- 2) to ensure a certain level of production volume, nomenclature of products or services provided;
- 3) carrying out environmental measures;
- 4) preservation of activity profile
- 5) preserving or creating new work places;
- 6) ensuring at least two thirds of the number of employees who are citizens of the Republic of Kazakhstan;
- 7) to preserve the existing procedure and conditions of use of production and social infrastructure facilities;

8) payment of accounts payable in due time;  
9) payment of arrears in salaries;  
10) restriction on transactions (resale, pledge, transfer to management and others) and/or prohibition of certain actions with respect to the object of privatization within a certain period of time.

The decision of the Government of the Republic of Kazakhstan on direct address sale shall include the name of the object and the strategic investor, as well as the requirements for the strategic investor on accepting obligations from the list of obligations specified in this paragraph, and the deadlines for fulfilling obligations.

**Footnote. Paragraph 84 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

85. The terms of sale of the privatization object shall be determined by the agreement of the parties, if they were not provided for by the contract of property hire (lease) or the agreement on transfer to trust management.

86. Sale of the object of privatization shall be carried out through the conclusion of a sale and purchase agreement at a price determined by the results of the tender for transfer to trust management or property lease (rent) with the right of subsequent redemption and specified in the contract of trust management or property lease (rent) with the condition of indexation in case of redemption.

In this case, the price of the object of privatization minus the guarantee fee for the entire period of trust management or property lease (rent) up to and including the day of conclusion of the contract of sale shall be indexed, based on the prime rate of the National Bank of the Republic of Kazakhstan. Settlements under the sale and purchase agreement shall be made in the order determined by paragraph 89 of these Rules.

**Footnote. Paragraph 86 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

## **Chapter 10. Settlement procedure**

**Footnote. The heading of Chapter 10 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

87. The contract of purchase and sale shall be signed by the seller and the buyer. The contract shall specify the reference to the minute on the results of the trading as the basis for the conclusion of the contract.

88. The winner of the trading shall, in case of failure to sign the minute of the results trading or the contract of purchase and sale, lose the guarantee contribution made to the seller and shall compensate the seller for the actual damage suffered in the part not covered by the guarantee contribution.

89. Calculations for the contract of purchase and sale shall be made between the seller and the buyer, at the same time the buyer shall make calculations in the following order:

1) advance payment shall be made in the amount of not less than fifteen percent of the sale price of the privatization object within ten working days from the date of signing of the purchase and sale contract (the guarantee contribution shall be counted due to the advance payment);

2) the remaining amount shall be paid by agreement of the parties, but not later than thirty calendar days from the date of signing of the contract of purchase and sale.

90. In case of delay in advance or final payment, the seller shall unilaterally terminate the contract and claim the buyer for real damages in the part not covered by the guarantee contribution.

In this case, the property shall be re-tendered with the terms of the cancelled trading.

**Footnote. Paragraph 90 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

91. Transfer of the object of privatization, except for state blocks of shares, shall be made under the acceptance act not later than thirty calendar days from the date of full payment of the sale price by the buyer under the sale and purchase agreement, except for the case specified in paragraph 95 of these Rules.

Information about the signing of the acceptance certificate by the buyer shall be entered by the seller on the web portal of the registry within two days.

The signed act of acceptance-transfer shall be the basis for the state registration of the change of ownership of the sold object of privatization.

At sale of the state enterprise as a property complex by the buyer in accordance with the requirements of the Law of the Republic of Kazakhstan “On state registration of legal entities and record registration of branches and representative offices” the state registration of termination of activity of the privatized state enterprise with obligatory notification of the seller about the conducted registration should be carried out.

If the buyer fails to sign the acceptance certificate within the established term, the seller shall unilaterally terminate the sale and purchase agreement with claims to the buyer for reimbursement of real losses in the part not covered by the security deposit, and sign the act of canceling the results of the auction, formed on the web portal of the registry.

In this case, the privatization object shall be put up for trading again with the terms and conditions of the canceled trading.

**Footnote. Paragraph 91 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

92. Transfer of state shares shall be carried out after full payment of the sale price by the buyer under the contract of purchase and sale by signing the order on transfer of securities.

93. Payment in installments shall be permitted only in cases when the conditions of possible installments have been informed in advance to the participant of trading or tender. At

the same time, the initial contribution may not be less than fifteen per cent of the sale price, and the installment period may not exceed three years.

**Footnote. Paragraph 93 as amended by the Resolution of the Republic of Kazakhstan dated 26.10.2024 № 890 (shall be enforced upon its first official publication).**

94. The buyer shall deposit the initial installment within thirty calendar days from the date of signing the sale contract. Interest shall be accrued on subsequent deposited amounts issuing from the base rate of the National Bank of the Republic of Kazakhstan. Subsequent amounts must be paid at least once a quarter.

Timely repayment of payments shall be ensured by the right to pledge the seller on the property purchased by the buyer, if another method of security is not provided for in the contract of purchase and sale.

**Footnote. Paragraph 94 as amended by Resolution № 247 of the Government of the Republic of Kazakhstan dated 16.04.2021 (shall be enforced ten calendar days after the date of its first official publication).**

95. When the object is sold in installments, the transfer shall be carried out by signing the act of acceptance and transfer of the privatization object after payment of the initial contribution with simultaneous conclusion of the pledge contract, subject to the corresponding registration, if another method of security is not provided for by the purchase and sale contract.

When a state share is sold in installments, the transfer shall be carried out by signing an order for the transfer of securities after payment of the initial contribution with the simultaneous conclusion of a pledge agreement to be registered.

## **11. Funds received from the sale of the privatization of the object**

96. Funds received from privatization of republican property facilities shall be sent to the National Fund of the Republic of Kazakhstan, and information about them shall be included in the register by the seller within five working days from the date of payment of the sale price by the buyer under the contract of purchase and sale.

Funds received from privatization of communal property facilities shall be sent to the corresponding local budget, and information about them shall be included in the register by the seller within five working days from the date of payment by the buyer of the sale price under the contract of purchase and sale.

**Footnote. Paragraph 96 in the wording of the resolution of the Government of the RK of 29.12.2017 № 924 (shall be enforced upon expiry of ten calendar days after the date of its first official publication).**

97. The preparation and conduct of trading for privatization shall be carried out at the expense of budgetary funds.

98. Payment for the services of the organizer and/or a unified operator shall be included in the seller's expenses for the preparation and conduct of trading for privatization.

## APPLICATION

for participation in the \_\_\_\_\_ on sale of the privatization object  
(the form of trade shall be specified)

1. Having considered the published notice of sale of the object (s)  
privatization and having read the rules of sale,

---

(full name of the individual or name of the legal entity;  
full name of the head or representative of the legal entity,  
acting on the basis of a power of attorney)

desiring to participate in the trading to be held by “ \_\_\_ ” \_\_\_\_\_ 20\_\_  
place of residence \_\_\_\_\_.

2. I hereby have made a \_\_\_\_\_ guarantee contribution (s)  
for participation (quantity)  
in trading in total amount of KZT \_\_\_\_\_ ( \_\_\_\_\_ )  
(numbers) (the amount in words)  
to the special transit account of the unified operator in the field of accounting  
state property \_\_\_\_\_.

Information on privatization facilities for which  
guarantee contribution have been made:

№ r/n	Name of privatization facilities	Amount of guarantee contribution, to be paid, KZT
1		
2		
	Total	

Details of guarantee contributions:

№ r/n	Purpose of the guarantee contribution and the name of the privatization object for which the guarantee contribution has been made to participate in trading	№ of payment document	Date of payment document	Amount of guarantee contribution, KZT
1				
2				
	Total			

3. I (we) hereby agree that if my (our)

non-compliance with requirements to the participant,  
forfeited the right to participate in trading signed by me (s)  
minutes on the results of trading and contract of purchase and sale will be recognized as  
invalid.

4. In case I (we) am (are) defined  
as the winner (s) of trading, I (we) commit to  
sign the minute on the results of the trading on the day of the trading and  
sign the contract of purchase and sale within ten calendar days from  
the day of holding the trading.

5. I (we) hereby agree that the amount paid by me (us) the guarantee contribution shall not  
be returned and shall remain with the seller in the following cases:

- 1) non-signing of the protocol on the results of trading on the day of their holding;
- 2) non-signing of the contract of purchase and sale within the specified terms;
- 3) failure to perform and/or improper performance by me (us)  
obligations under the purchase and sales contract.

6. This application together with the results of the trading  
has the effect of a contract in force prior to the conclusion of the purchase and sale  
contract.

7. I hereby present information about myself:

For the legal entity:

Name \_\_\_\_\_

BIN \_\_\_\_\_

Full name of the head \_\_\_\_\_

Residing address: \_\_\_\_\_

Phone (fax) number: \_\_\_\_\_

Bank details for return of guarantee contribution:

IIC \_\_\_\_\_

BIC \_\_\_\_\_

Name of the bank \_\_\_\_\_

Beneficiary Code \_\_\_\_\_

The IIN/BIN of the person who paid the guarantee contribution \_\_\_\_\_

The application shall be attached to (not filled in when applying for auction):

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

For the individual:

Full name \_\_\_\_\_

IIN \_\_\_\_\_

Passport \_\_\_\_\_

Residing address: \_\_\_\_\_

Phone (fax) number: \_\_\_\_\_

Bank details for return of guarantee contribution:

IIC \_\_\_\_\_

BIC \_\_\_\_\_

Name of the bank \_\_\_\_\_

Beneficiary Code \_\_\_\_\_

The IIN/BIN of the person who paid the guarantee contribution \_\_\_\_\_

The application shall be attached to (not filled in when applying for auction):

1) \_\_\_\_\_

2) \_\_\_\_\_

3) \_\_\_\_\_

(Signature) (Full name of the individual or name of the legal entity

And full name of the head or representative of the legal entity,

acting on the basis of a power of attorney)

" \_\_\_\_ " \_\_\_\_\_ 20.

Seal

Accepted by web portal of the register of state property

" \_\_\_\_ " \_\_\_\_\_ 20 \_\_\_\_ o'clock

Auction number of the participant \_\_\_\_\_

Annex to  
resolution of the Government  
of the Republic of Kazakhstan  
dated August 9, 2011 № 920

### **List of some decisions of the Government of the Republic of Kazakhstan recognized as invalid**

1. Resolution of the Government of the Republic of Kazakhstan dated May 6, 1996 № 562 “On approval of the Regulation on the valuation of privatization facilities” (CAPG (Collected Acts of the President and the Government, art. 166, 1996 № 19).

2. Resolution of the Government of the Republic of Kazakhstan dated November 6, 1998 № 1137 “On approval of the Rules for the sale of shares belonging to the state through the organized securities market” (CAPG (Collected Acts of the President and the Government, art . 367, 1998 № 40).

3. Resolution of the Government of the Republic of Kazakhstan dated April 5, 2000 № 508 “On introduction of amendments to the resolution of the Government of the Republic of Kazakhstan dated November 6, 1998 № 1137” (CAPG (Collected Acts of the President and the Government, art. 191, 2000 № 18).

4. Paragraph 11 of the amendments and additions to some decisions of the Government of the Republic of Kazakhstan approved by the resolution of the Government of the Republic of Kazakhstan dated October 28, 2001 № 1369 “On introduction of amendments and additions

and recognized as invalid of some decisions of the Government of the Republic of Kazakhstan” (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 478, 2001 № 36-37).

5. Resolution of the Government of the Republic of Kazakhstan dated November 16, 2001 № 1455 “On introduction of amendments to the resolution of the Government of the Republic of Kazakhstan dated November 6, 1998 № 1137” (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 505, 2001, № 39).

6. Resolution of the Government of the Republic of Kazakhstan dated May 23, 2002 № 562 “On introduction of amendments to the resolution of the Government of the Republic of Kazakhstan dated November 6, 1998 № 1137 and June 26, 2000 № 942 (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 155, 2002 № 14 ).

7. Resolution of the Government of the Republic of Kazakhstan dated December 20, 2004 № 1333 “On introduction of amendments to the resolution of the Government of the Republic of Kazakhstan dated November 6, 1998 №1137 (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 632, 2004 № 49).

8. Resolution of the Government of the Republic of Kazakhstan dated June 26, 2000 № 942 “On approval of the Rules for the sale of privatization facilities” (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 317, 2000 № 27).

9. Resolution of the Government of the Republic of Kazakhstan dated December 14, 2001 № 1639 “On introduction of amendments and additions to the resolution of the Government of the Republic of Kazakhstan dated June 26, 2000 № 942 (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 557, 2001 № 47).

10. Resolution of the Government of the Republic of Kazakhstan dated April 11, 2003 № 350 “On introduction of amendments and additions to the resolution of the Government of the Republic of Kazakhstan dated June 26, 2000 № 942 (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 166, 2003 №16).

11. Paragraph 1 as amended to some decisions of the Government of the Republic of Kazakhstan approved by the resolution of the Government of the Republic of Kazakhstan June 18, 2010 № 613 “On introduction of amendments to some decisions of the Government of the Republic of Kazakhstan (CAPG (Collected Acts of the President and the Government of the Republic of Kazakhstan, art. 342, 2010 № 39).