

Key amendments to Kazakhstani legislation in 2019

Dina Jazylbekova

Head of Legal Department, SCHNEIDER GROUP

Almaty, September 5, 2019

Agenda

- New currency control regulations in Kazakhstan
- Amendments to laws regulating the pharmaceutical industry
- Amendments to legislation on advertisement
- Amendments to the law “On LLPs”

New currency control regulations in Kazakhstan

- Branches and Rep. offices of foreign companies are considered as residents (all transactions with residents must be in KZT)
 - Old contracts in foreign currency with residents?
 - Official position of the National bank

New currency control regulations in Kazakhstan

- Currency agreement on export/import of goods and services are subject to registration if the amount of the agreement exceeds USD 50,000
- If no amount is indicated, the currency agreement is subject to registration
- Importer/exporter must apply for registration in advance

New currency control regulations in Kazakhstan

- Regime of notification for any payment or transfer of currency more than USD 50,000
- Regime of registration for movement of capital if the agreed amount is above USD 500,000
- Application for registration advance

New currency control regulations in Kazakhstan

- Quarterly reports for the National Bank for the regime of capital movement
- Any changes in conditions of agreement on movement of capital requires notification to the National Bank
- Breach of terms of reports implies imposition of fines

Amendments to laws regulating the pharmaceutical industry

- Amendments regarding price regulation came into force on January 18, 2019
- The state authorities set the maximum price for medical products
- Price regulation is effective from April 19, 2019
 - Earlier: for medical products within the state medical service and obligatory social medical insurance
 - From April 19, 2019: for all medical products

Amendments to laws regulating the pharmaceutical industry

- State authorities elaborated rules with the maximum price for medical products
- It is expected that the price for medical products will be reviewed twice per year (January, July)
- Administrative penalties are set forth in legislation for non-compliance with rules on the maximum price of medical products (fines, revocation of license)

Amendments to laws regulating the pharmaceutical industry

- The procedure of setting the maximum prices is set forth in Rules
- Price regulation is multistage process that requires involvement of producers/importers of medicine
- Application for setting the price can be filed either in paper or online
- Applicant must provide quite extensive list of information

Amendments to laws regulating the pharmaceutical industry

- Ethical norms in promotion of medical products
 - It is prohibited for healthcare professionals to advertise or recommend medical products for certain benefit
 - Representatives of pharmaceutical companies (distributors) are banned from visiting healthcare organizations to promote medical products
 - Healthcare professionals are prohibited from prescribing medical products under their trade names (use their international nonproprietary names)

Amendments to laws regulating the pharmaceutical industry

— Issues

- Liability for violation of ethical norms? For healthcare professionals? For pharmaceuticals companies?
- Prohibition of visiting. Any other interactions? Social networks?

Amendments to legislation on LLP's

- Entered into force on February 1, 2019
- LLP now may initiate the procedure of compulsory purchase of shares from a shareholder who caused substantial damage to the LLP
- Shareholders may now distribute profits quarterly, semi-annually, or annually



Dina Jazylbekova
Head of Legal Department
JazylbekovaDM@schneider-group.com

The exclusive right to the content of this presentation including the rights of translation, reproduction, transmittal, distribution and usage of the presentation and parts of it, in any way, as well as the rights to the company's logo and name SCHNEIDER GROUP, in existing and future publications in printed or electronic form, and the ability to confer rights to a third party belong to SCHNEIDER GROUP.

The reproduction, alteration, transmittal or any distribution or usage of this presentation or parts of it, as well as of the company's logo or name SCHNEIDER GROUP in any way, need the written permission of SCHNEIDER GROUP in advance and shall be accompanied with the link to the SCHNEIDER GROUP website and reference to the copyright permission. © SCHNEIDER GROUP www.schneider-group.com



armenia

belarus

germany

kazakhstan

poland

russia

uzbekistan

ukraine

market entry | accounting | ERP | import | legal | tax

www.schneider-group.com