

ClientAlert

Antimonopoly Regulation

June 2015

Amendments to the Antimonopoly Regulation in Kazakhstan

Summary

On 5 May 2015 the President signed the Law of the Republic of Kazakhstan "On Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Natural Monopolies and Regulated Markets" No. 312-V (the "**Amendments**").

The Amendments came into force on 18 May 2015 (with some exceptions).

The purpose of the Amendments is to liberalize the antimonopoly regulation in Kazakhstan.

The Amendments mainly relate to the following:

1. Antimonopoly approval is now required for acquisition of more than 50% (previously more than 25%, i.e., the trigger was increased) of shares in a JSC or participatory interests in an LLP.
2. The establishment of a legal entity no longer requires antimonopoly approval by the Committee for Regulation of Natural Monopolies and Protection of Competition at the Ministry of National Economy of the Republic of Kazakhstan (the "**Antimonopoly Committee**").
3. Antimonopoly Committee's approval is not required for the transactions recognized as economic concentration, if such transactions are specifically named in the laws of the Republic of Kazakhstan, Decrees of the President and/or the Resolutions of the Government.
4. The period for reviewing the application for antimonopoly approval was decreased from 50 to 30 calendar days.
5. Antimonopoly Committee is entitled to specify a period for provision of additional information/documents which may not be less than 5 business days.



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6. Antimonopoly Committee is entitled to issue written warnings. The warning shall warn specific market players to refrain from actions that may lead to the antimonopoly violation. Written warnings may be issued when the Antimonopoly Committee does not have sufficient grounds to initiate a formal investigation but public statement of the market player, state authority, or local executive authority imply that the market player's intended conduct may lead to the violation of the antimonopoly regulations.
7. Antimonopoly Committee is entitled to apply to the law enforcement authorities for assistance with the investigation it conducts against a market player. Having said that, the Antimonopoly Committee has the right to forward the investigation materials to law enforcement authorities to decide whether or not there are grounds for a criminal investigation.

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