

# ClientAlert

## Mining

1 November 2013

### Potential Liberal Changes to Kazakhstan's Legal Regime for Mining

A government working group (WG) to prepare changes to the legal regime for mining was created in 2012 with a view to attracting more investments in the industry by liberalizing and simplifying the rules. The WG consists of representatives from many government and non-government stakeholders and administered by the Ministry of Industry and New Technologies (MINT).

White & Case is the only international law firm represented on the WG.

The WG is expected to complete its work soon and submit a set of amendments to the Subsoil Use Law dated 24.06.2010 (Amendments) to the government for onward submission as a draft law to Majilis (the lower house of the Parliament) for law-making process.

The Amendments may be enacted into law as early as Q1 2014.

#### Key Amendments

- Sale of subsoil use rights (licenses) and associated equity interests – the currently universal state's pre-emptive right will only apply to sales of so-called strategic deposits (although the universal MINT's approval will be preserved);
- Simpler price auction as an additional option for awarding licenses with respect to mining of hard minerals;
- Flexibility for subsoil blocks to be added or excluded from contract territories;
- Abolishing economic and environmental expert assessments for subsoil use contracts;
- Abolishing feasibility study as a mandatory pre-requisite for subsoil use contracts
- Free access (by application) to unexplored areas for exploration:
  - Simplified contract;
  - Exploration of any hard minerals (except uranium) and hydrocarbons;
  - Easier transition to mining after discovery;
- Direct negotiations for granting of subsoil use rights with companies offering to introduce modern and new technologies;
- Direct negotiations for mining from man-made mineral formations with their owners.



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