

LAW OF THE REPUBLIC OF KAZAKHSTAN

On gas and gas supply

(with changes and additions as on 28.04.2016)

Throughout the whole text, the words "public-private partnership in the field of gas and gas supply," are replaced by the words "partnership in the field of gas and gas supply," respectively, "partnership in the field of gas and gas supply" according to the Law of the RK dated 04.07.13 No. 131-V (see old edition)

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This Law defines the legal, economic and basic arrangements for regulating public relations in the field of gas and gas supply in the Republic of Kazakhstan and is aimed at creating conditions for ensuring the internal gas needs of the Republic of Kazakhstan, as well as for the effective, reliable and safe operation of gas supply facilities.

Chapter 1. General terms

Article 1 Basic concepts used in this Law

The following basic concepts are used in this law:

- 1) gas filling station - a technological complex designed for storage and retail sale of liquefied petroleum gas to owners of vehicles using it as fuel;
- 2) self-filling compressor station - a technological complex designed for compression, storage and retail sale of commercial gas to owners of vehicles using it as fuel;
- 3) accreditation - the procedure for official recognition by the authorized body of gas network organizations of the requirements established by the legislation of the Republic of Kazakhstan on gas and gas supply;
- 4) retail trade - entrepreneurial activity to sell commercial and (or) liquefied petroleum gas to consumers in the territory of the Republic of Kazakhstan for their own needs without the purpose of further sale;
- 5) unified right-of-way - a set of main gas pipelines (or sections) and main gas pipeline systems (including those with different pressures) that ensure the transportation of commercial gas in a single direction (transport flow), laid in parallel along one route;
- 6) gas - crude, commercial, liquefied petroleum and liquefied natural gas;
- 7) gas supply - activities in the field of production, transportation, storage and sale of commercial, liquefied petroleum and (or) liquefied natural gas;
- 8) protective zone of facilities of gas supply systems - a territory with special conditions of use, which is installed around facilities of gas supply systems in order to ensure safe operating conditions and prevent their possible damage;
- 9) gas supply system - a complex of technologically interconnected facilities intended for the production, transportation, storage, sale and consumption of commercial or liquefied petroleum

gas;

10) gasification - a set of measures aimed at using commercial and (or) liquefied petroleum gas as fuel at housing and communal services, industrial, agricultural and other facilities;

11) gas equipment - technical products of full factory readiness, used as components of gas pipelines (compensators, condensate collectors, safety relief valves, pipeline isolation valves), as well as gas-using installations (gas devices, furnaces and plates);

12) partnership in the field of gas and gas supply - a form of cooperation between the state and the investor to solve strategic and social tasks to ensure deep processing of associated gas belonging to the Republic of Kazakhstan and production of products with high added value on mutually beneficial terms;

Subparagraph 13 is set out in the revision of the Law of the Republic of Kazakhstan dated 16.05.14 No 203-V (see old edition)

13) a gas network organization - a legal entity having an accreditation certificate and operating a gas filling station, as well as wholesale and retail sale of liquefied petroleum gas under the conditions established by this Law;

14) gas pipeline - a structure consisting of interconnected pipes with shutoff valves and designed for transporting gas in a gaseous or two-phase state;

15) gas distribution system - a complex of technologically interconnected structures, consisting of gas pipelines (linear part) and objects connected to them, designed to transport commercial gas from the main gas pipeline to gas consuming systems;

16) gas distribution organization - a legal entity that carries out the transportation of commodity gas through the gas distribution system, technical operation of the gas distribution system, as well as wholesale and retail sale of commodity gas under the conditions established by this Law;

17) a gas transportation organization - a legal entity providing services for the transportation of commodity gas through connecting, main gas pipelines and (or) storage of commercial gas in commercial gas storage facilities under the conditions established by this Law;

18) gas filling point - engineering facility intended for storage, discharge and filling of liquefied petroleum gas into household balloons;

19) gas filling station - a complex of technologically interconnected production and other facilities intended for storage, discharge and filling of liquefied petroleum gas into railway tanks, gas trucks, household balloons, as well as repair and disposal of household balloons;

20) gas consuming system - a complex of gas pipelines (linear part) and gas equipment designed to receive commercial gas from a gas distribution system or liquefied petroleum gas from a group tank plant, as well as their use as fuel and (or) raw materials;

21) metering devices - measuring instruments and other technical means that perform the following functions: measurement, accumulation, storage, display of information about the flow rate, volume, temperature, gas pressure and time of operation of instruments;

22) connecting gas pipeline - a gas pipeline designed for transportation of raw gas from the contract territory to the gas processing plant or industrial consumer of raw gas or for transportation of commercial gas from the gas processing plant to the main gas pipeline;

23) field gas pipeline - a gas pipeline intended for gas transportation within the contractual area;

24) utility consumer - a natural or legal person who acquires commercial and (or) liquefied petroleum gas for utility needs during entrepreneurial, non-commercial or other activities without the purpose of its further implementation;

25) the authorized body in the field of public utilities - the central executive body that exercises leadership and intersectoral coordination in the field of gas and gas supply within the boundaries (features) of settlements;

Subparagraph 26 is set out in the revision of the Law of the Republic of Kazakhstan dated 29.12.14 No. 269-V (see old edition)

26) wholesale sale - entrepreneurial activity to sell commercial, liquefied petroleum and (or) liquefied natural gas in the domestic market for the purposes of further sale or outside the territory of the Republic of Kazakhstan, as well as in cases of gas sale of a gas distribution organization for

regulatory technical losses;

27) domestic needs of the Republic of Kazakhstan - volumes of commercial and (or) liquefied petroleum gas required for consumption in the territory of the Republic of Kazakhstan;

28) main gas pipeline is an engineering structure consisting of one or several gas pipelines (linear part) and objects connected to them, providing increase and decrease of pressure of transported gas, links and other communications, intended for transportation of commercial gas. The composition of the main gas pipeline facilities is determined by the design documentation and the requirements of technical regulations;

29) producer - a legal entity engaged in the production of commercial, liquefied petroleum and (or) liquefied natural gas;

30) industrial consumer - a legal entity purchasing gas for use as fuel and/or raw materials in industrial production;

Subparagraph 31 was amended in accordance with the Law of the Republic of Kazakhstan dated 10.07.12 No31-V (see old edition)

31) liquefied petroleum gas - a mixture of light hydrocarbons (propane-butane fraction, propane, butane) converted into a liquid state for transportation and storage purposes, which meets the requirements of technical regulations and national standards in terms of qualitative and quantitative content of components;

Subparagraph 32 was amended in accordance with the Law of the Republic of Kazakhstan dated 10.07.12 No31-V (see old edition)

32) liquefied natural gas - a multicomponent mixture of hydrocarbons with a predominant content of methane, converted into a liquid state for transportation and storage purposes, which is a product of raw gas processing and meets the requirements of technical regulations and national standards in terms of qualitative and quantitative content of components;

33) transportation - the technological process of pumping raw or commercial gas through gas pipelines;

Subparagraph 34 was amended in accordance with the Law of the Republic of Kazakhstan. Dated 10.07.12 No 31-V (see old edition)

34) commercial gas - a multicomponent mixture of hydrocarbons with a predominant content of methane, which is in a gaseous state, is a product of processing of raw gas and meets the requirements of technical regulations and national standards in terms of qualitative and quantitative content of components;

35) commercial gas storage - a complex of technologically interconnected production and other facilities intended for storage of commercial gas;

36) group tank installation - an engineering facility consisting of a group of tanks, safety valves and control valves, gas pipelines and designed to store and supply liquefied petroleum gas to gas consuming systems;

37) domestic consumer - an individual who acquires commercial and (or) liquefied petroleum gas for domestic needs without the purpose of use in entrepreneurial activities and their further implementation;

12) consumption rate - estimated value for domestic consumers that do not have metering devices, reflecting the average monthly amount of commercial or liquefied petroleum gas consumed by them;

13) consumer - household, communal or industrial consumer;

14) the authorized body - **the central executive body** implementing the state regulation of production, transportation, storage and wholesale of gas, as well as retail sale and consumption of commercial and liquefied petroleum gas outside the boundaries of settlements;

15) a **national operator** - a legal entity owned by a controlling stake in which is the state or a national managing holding or national company, determined by the Government of the Republic of Kazakhstan and carrying out activities in the field of gas and gas supply in order to meet the internal needs of the Republic of Kazakhstan in commercial gas;

Subparagraph 42 is set out in the revision of the Law of the Republic of Kazakhstan dated 28.04.16

No.506-V (see old edition)

16) crude (raw) gas - produced raw natural, associated, shale gas, coal bed methane, as well as hydrocarbon gas of other origin.

Article 2 Legislation of the Republic of Kazakhstan on gas and gas supply

1. The legislation of the Republic of Kazakhstan on gas and gas supply is based on the Constitution of the Republic of Kazakhstan and consists of this Law and other normative legal acts of the Republic of Kazakhstan.
2. If an international treaty ratified by the Republic of Kazakhstan establishes rules other than those contained in this Law, the rules of the international treaty shall apply.

Article 3 Field of application of this Law

1. This Law applies to relations in the field of gas and gas supply.
2. The provisions of this Law do not apply to relations arising from the sale of liquefied petroleum gas in cylinders with a capacity of less than one kilogram.

Article 4 Main objectives ground rules and issues of state regulation in the field of gas and gas supply

1. The objectives of State regulation in the field of gas and gas supply are to ensure energy and environmental security, to improve the social and economic situation of the population of the Republic of Kazakhstan.
2. State regulation in the field of gas and gas supply is based on the following principles:
 - 1) safety and reliability of gas supply;
 - 2) rational use of gas resources;
 - 3) priority of providing domestic needs of the Republic of Kazakhstan with commercial and liquefied petroleum gas produced in the territory of the Republic of Kazakhstan;
 - 4) priority of gasification of facilities located in the territory of the Republic of Kazakhstan;
 - 5) balance of price policy in the field of gas and gas supply.
3. Tasks of state regulation in the field of gas and gas supply:
 - 1) creation of a unified commercial gas supply system;
 - 2) creation of conditions for uninterrupted provision of internal needs of the Republic of Kazakhstan with commercial and liquefied petroleum gas;
 - 3) increase of commercial and liquefied petroleum gas in total volume of fuel and energy resources consumed in the Republic of Kazakhstan

Chapter 2. COMPETENCE OF PUBLIC ADMINISTRATION BODIES IN THE FIELD OF GAS AND GAS SUPPLY

Article 5. Competence of the Government of the Republic of Kazakhstan

Government of the Republic of Kazakhstan:

- 1) develops the main directions of the state policy in the field of gas and gas supply;
- 2) defines the national operator;
- 3) approve the procedure for preparation of the general gasification scheme of the Republic of Kazakhstan;
- 4) approves the general scheme of gasification of the Republic of Kazakhstan;
- 5) - 13) Are excluded according to the Law of the RK dated 29.09.14 No. 239-V (see old. edition)
- 14) approve the procedure for calculation and approval of consumption standards of commercial and liquefied petroleum gas;
- 15) -16) Excluded in accordance with the Law of the RK dated 29.09.14 No. 239-V (see old. edition)
- 17) regulates the export of commercial, liquefied petroleum and liquefied natural gas;
- 18) make solution on the construction of export and/or transit gas pipelines;

19) performs other functions assigned to it by the [Constitution](#), this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Article 6. Competence of the authorized body

Authorized Body:

- 1) ensures the implementation of the state policy in the field of gas and gas supply;
- 2) within the limits of its competence, develop and approve regulatory legal acts regulating relations in the field of gas and gas supply;
- 3) develop the procedure for preparation of the general gasification scheme of the Republic of Kazakhstan;
- 4) develop a general scheme of gasification of the Republic of Kazakhstan;
- 5) supervises the implementation of the general gasification scheme of the Republic of Kazakhstan;
Subparagraphs 6 to 8 are set out in the revision of the [Law](#) of the Republic of Kazakhstan. Dated 29.09.14 No 239-V (see old edition)
- 6) develop and approve the [procedure](#) for determining the price of raw and commercial gas purchased by the national operator within the framework of the pre-emptive law of the state;
- 7) approves the [marginal prices](#) of wholesale sale of [commercial](#) and [liquefied](#) petroleum gas in the domestic market and the procedure for their determination;
- 8) develop and approve the [procedure and conditions](#) for the transfer of associated gas to investors within the framework of the partnership in the field of gas and gas supply;
- 9) agree on the alienation of the facilities of the unified commercial gas supply system owned by the national operator or gas transmission and (or) gas distribution organizations, fifty or more percent of the voting shares (participation interests) of which belong to the national operator;
- 10) organize the balance of production, sale and consumption of commercial and liquefied petroleum gas;
Subparagraphs 11 - 14 are set out in the revision of the [Law](#) of the Republic of Kazakhstan. dated 29.09.14 No 239-V (see old. edition)
- 11) develop and approve the [procedure](#) for centralized operational dispatch control of operation modes of facilities of the unified system of supply of commodity gas;
- 12) develop and approve [standard contracts](#) for the retail sale of commercial and liquefied petroleum gas, as well as maintenance of gas-consuming systems and gas equipment of domestic and domestic consumers;
- 13) develop and approve the procedure for submission of information on monitoring the production, transportation, storage and sale of commercial, liquefied petroleum and liquefied natural gas;
- 14) develop and approve the [procedure](#) for retail sale and use of commercial and liquefied petroleum gas;
- 15) develop technical regulations in the field of gas and gas supply;
- 16) develop and approve regulatory and technical documents in the field of gas and gas supply outside the boundaries (features) of settlements;
- 17) It is excluded according to the [Law of the RK](#) dated 29.12.14 No. 269-V ([see old ed.](#))
Subparagraph 18 is set out in the revision of the [Law](#) of the Republic of Kazakhstan. Dated 29.09.14 No 239-V (see old. edition)
- 18) develop and approve the [procedure](#) for drawing up a plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan;
- 19) It is excluded according to the [Law of the RK](#) dated 13.01.14 No. 159-V ([see old. ed.](#))
Subparagraph 20 is set out in the revision of the [Law](#) of the Republic of Kazakhstan dated 29.09.14 No. 239-V (see old edition)
- 20) develop and approve rules for accreditation of gas network organizations;
- 21) performs accreditation of gas network organizations;
- 22) exercise other powers provided by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.
See also: [Regulations on the Department of Gas Industry Development of the Ministry of Energy of](#)

the Republic of Kazakhstan (Appendix 3 to the Order of the Executive Secretary of the Ministry of Energy of the Republic of Kazakhstan dated April 22, 2015 No. 262-жс)

Article 7. Competence of other authorized state bodies in the field of gas and gas supply

1. Authorized body in the field of public utilities:

- 1) form and implement state policy and carry out intersectoral coordination in the field of gas and gas supply within the boundaries (features) of settlements;
- 2) participates in the implementation of the general gasification scheme of the Republic of Kazakhstan;
- 3) develop and approve regulatory and technical documents in the field of gas and gas supply within the boundaries (features) of settlements;
- 4) It is excluded according to the Law of the RK dated 13.01.14 No. 159-V (*see old. edition*)
- 5) exercise other powers stipulated by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

*Changes according to the Law of the RK dated 11.04.14 No. 189-V are made to Paragraph 2 (*see old. edition*)*

2. Authorized body in the field of civil protection:

- 1) It is excluded according to the Law of the RK dated 29.09.14 No. 239-V (*see old. ed.*)
*Subparagraph 2 is set out in the revision of the Law of the Republic of Kazakhstan dated 29.09.14 No. 239-V (*see old edition*)*
- 2) develop and approve requirements for the safety of gas supply systems facilities;
- 3) exercise other powers provided by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

3. It is excluded according to the Law of the RK dated 29.09.14 No. 239-V (*see old. edition*)

4. Authorized body responsible for leadership and intersectoral coordination in the field of strategic and economic planning, formulation and formulation of budget policy:

*Subparagraph 1 is set out in the revision of the Law of the Republic of Kazakhstan dated 29.09.14 No 239-V (*see old edition*)*

- 1) agree on the marginal prices of wholesale sale of commercial and liquefied petroleum gas in the domestic market;
- 2) exercise other powers provided by this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

5. Local executive bodies of regions, cities of republican significance and the capital:

- 1) monitor compliance with requirements of safe operation of gas-consuming systems and gas equipment of domestic and municipal consumers;
- 2) participate in the implementation of the general gasification scheme of the Republic of Kazakhstan;
- 3) submit to the authorized body the forecast of consumption of liquefied petroleum gas in the territory of the region, the city of republican significance, the capital;
- 4) submit to the authorized body information on the sale and consumption of liquefied petroleum gas in the territory of the region, the city of republican significance, the capital;
- 5) reserve in accordance with the procedure established by the legislation of the Republic of Kazakhstan land plots on which the general scheme of gasification of the Republic of Kazakhstan provides for the construction of gas supply facilities;
- 6) provide land plots in accordance with the procedure established by the legislation of the Republic of Kazakhstan for the construction of gas supply facilities;

The paragraph is supplemented by subparagraphs 6-1 and 6-2 in accordance with the Law of the Republic of Kazakhstan dated 29.09.14 No. 239-V

- 6-1) monitor compliance with requirements of safe operation of household cylinders and facilities of gas supply systems;
- 6-2) approve consumption standards for commercial and liquefied petroleum gas;
- 7) exercise in the interests of local government other powers assigned to local executive bodies by

the legislation of the Republic of Kazakhstan.

Chapter 3. OPERATION AND DEVELOPMENT OF GAS SUPPLY SYSTEMS

Article 8. Standard Commercial Gas Supply System

1. In order to ensure uninterrupted provision of internal needs of the Republic of Kazakhstan in commodity gas, safe operation of facilities of gas supply systems, organization of continuous dispatching control of transportation, storage of commodity gas and creation of a unified system of its accounting in the Republic of Kazakhstan, a unified system of supply of commodity gas is formed.

2. Unified system of commercial gas supply includes connecting, main gas pipelines, storage of commercial gas, gas distribution and gas consuming systems, automatic gas-filling compressor stations and other technological facilities intended for production, transportation, storage, sale and consumption of commercial gas.

The unified commodity gas supply system does not include commercial gas pipelines, gas-consuming systems of domestic and municipal consumers, technological facilities designed for the production and regasification of liquefied natural gas, as well as for the transportation, storage, sale and consumption of liquefied petroleum gas.

3. The facilities of the unified commodity gas supply system may be in public or private ownership.

4. The subjects of the unified commodity gas supply system are:

- 1) national operator;
- 2) producers of commercial gas;
- 3) subsoil users who own commercial gas produced during processing of raw gas produced by them;
- 4) owners of commodity gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;
- 5) owners of commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan, on the basis of international agreements of the Republic of Kazakhstan;
- 6) gas transmission and gas distribution organizations;
- 7) owners of autogas compressor stations;
- 8) industrial consumers of commercial gas.

5. The authorized body keeps records and publishes on the Internet resource a list of producers of commodity gas, subsoil users who own commodity gas produced in the process of processing raw gas produced by them, owners of commodity gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan, owners of commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas, produced in the Republic of Kazakhstan, on the basis of international treaties of the Republic of Kazakhstan, gas transmission and gas distribution organizations.

6. For the purpose of the effective functioning of the unified system of supply of commodity gas, producers of commodity gas, gas transportation and gas distribution organizations are obliged to comply with the established technological modes of operation of the facilities of the unified system of supply of commodity gas.

Article 9. National operator

1. [The national operator](#) performs the following functions:

- 1) participates in the implementation of the state policy in the field of gas and gas supply;
- 2) participates in the development and implementation of the general gasification scheme of the Republic of Kazakhstan;

Article 9, paragraph 1, subparagraph 3 signed into law since 1 April 2012

- 1) exercise the preferential right of the state to purchase raw and commercial gas in accordance

with this Law;

Article 9, paragraph 1, subparagraph 4 signed into law since 1 April 2012

2) exercise the priority right of the state to acquire facilities of the unified system of supply of commodity gas, shares in the common ownership of facilities of the unified system of supply of commodity gas and packages of shares (interests) of legal entities - owners of facilities of the unified system of supply of commodity gas in accordance with this Law;

3) ensure uninterrupted transportation and storage of commercial gas, including by concluding contracts with gas transportation and gas distribution organizations;

Changes according to the Law of the RK dated 29.12.14 No. 269-V are made to Subparagraph 6 (see an old. edition)

4) performs wholesale sale of marketable gas;

5) provides centralized operational-dispatching control of the technological mode of operation of the facilities of the unified commodity gas supply system;

6) submit to the authorized body information on transportation, storage and sale of commodity gas in the territory of the Republic of Kazakhstan, on the acquisition of crude and commodity gas within the framework of the pre-emptive right of the state, as well as forecast of domestic needs of the Republic of Kazakhstan in commodity gas for the upcoming calendar year;

7) provides interaction with gas transportation systems of neighboring states to control and ensure stability of commodity gas transportation regimes;

8) provides creation and operation of automated system of commercial accounting of commercial gas located in unified system of commercial gas supply.

2. The national operator shall:

1) ensure uninterrupted supply of commodity gas to consumers connected to the facilities of the unified commodity gas supply system under the conditions established by this Law;

2) provide construction, operation, modernization and/or reconstruction of the facilities of the unified commodity gas supply system in accordance with the general gasification scheme of the Republic of Kazakhstan;

3) ensure the use of energy-saving and environmentally friendly technologies and equipment at the facilities of the unified commodity gas supply system owned by the national operator.

3. Objects of a unified commodity gas supply system owned by a national operator or gas transmission and (or) gas distribution organizations, fifty or more percent of the voting shares (shares) of which belong to the national operator, may be alienated by agreement with the authorized body.

Article 10. Liquefied petroleum gas supply systems

1. The systems of supply with the liquefied oil gas represent set of gas-filling stations, gas-filling points, group reservoir installations, the gas-consuming systems, autogas stations and other technological objects intended for transportation, storage, realization and consumption of the liquefied oil gas.

2. Liquefied petroleum gas supply systems may be publicly or privately owned.

3. The subjects of liquefied petroleum gas supply systems are:

1) liquefied petroleum gas producers;

2) owners of liquefied petroleum gas produced in the process of processing of hydrocarbon raw materials belonging to them on the right of ownership or other legal grounds;

3) owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;

4) gas network organizations;

5) owners of gas filling stations and gas filling stations;

6) industrial consumers of liquefied petroleum gas.

4. The authorized body keeps records and publishes on the Internet resource a list of producers of liquefied petroleum gas, owners of liquefied petroleum gas produced in the process of processing hydrocarbon raw materials owned by them or otherwise legally owned, owners of liquefied

petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan, gas network organizations and industrial consumers of liquefied petroleum gas.

Article 11. General gasification scheme of the Republic of Kazakhstan

1. Gasification of the territory of the Republic of Kazakhstan is carried out in accordance with the [general scheme of gasification](#) of the Republic of Kazakhstan.
2. The general gasification scheme of the Republic of Kazakhstan is being developed taking into account the priority of ensuring the domestic needs of the Republic of Kazakhstan in commodity and liquefied petroleum gas based on the forecast balance of production, sale and consumption of commercial and liquefied petroleum gas.
3. The General Gasification Scheme of the Republic of Kazakhstan contains a layout of gas supply systems facilities, a list and technical characteristics of gas supply systems planned for construction, modernization and (or) reconstruction, necessary financial resources and their sources, promising resources of commercial and liquefied petroleum gas, as well as a gas supply scheme for existing and planned gas supply systems for construction.
4. The general gasification scheme of the Republic of Kazakhstan is being developed taking into account the priority of using commercial gas by household and communal consumers, including liquefied natural gas obtained during the regasification process. See Rules for preparation of the general gasification scheme of the Republic of Kazakhstan.
5. Financing for the implementation of the general gasification scheme of the Republic of Kazakhstan is carried out at the expense of the income of the national operator, budget funds and other sources not prohibited by the legislation of the Republic of Kazakhstan.
6. Reservation of land plots for the implementation of the general gasification scheme is carried out in the manner established by the Land Code of the Republic of Kazakhstan.

Article 12. Design, construction, modernization and/or reconstruction of gas supply facilities

1. Projects for the construction, modernization and/or reconstruction of main gas pipelines shall be agreed with the authorized body and other state bodies in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.
2. Projects for the construction, modernization and/or reconstruction of gas distribution systems and facilities of liquefied petroleum gas supply systems are agreed with the authorized body in the field of public utilities.
3. The decision to build export and/or transit gas pipelines is made by the Government of the Republic of Kazakhstan.
4. Specifications for connection to the main gas pipeline, gas distribution system or group tank plant are issued by the gas transmission or gas distribution or gas network organization operating such an object. At the same time, the issued specifications are the basis for the design of newly built, modernized and (or) reconstructed gas supply systems.
5. Expenses associated with connection of gas supply system facilities to the main gas pipeline, gas distribution system or group tank plant are made at the expense of the owners of connected gas supply system facilities.
6. The newly connected and reconstructed gas equipment of consumers must be performed in accordance with technical regulations and regulatory and technical documents, as well as provided with design documentation

Article 13. Land -use regulation during construction and operation of gas supply facilities

1. The land provided for the construction and operation of gas supply facilities must meet the urban planning and environmental requirements established by the legislation of the Republic of Kazakhstan.
2. The owner or land user is obliged to grant the interested individuals and legal entities the right of limited targeted use of the land plot to which he owns the right of ownership or land use in

accordance with the legislation of the Republic of Kazakhstan, for access to gas supply systems.
3. Land plots for temporary land use in accordance with the Land Code of the Republic of Kazakhstan are provided to carry out overhaul, maintenance, modernization and/or reconstruction of facilities of gas supply systems of the organization operating these facilities.

Chapter 4. LEGAL PRINCIPLES OF GAS SUPPLY

Article 14 entered into force on 1 April 2012

Article 14. The priority right of the state in the field of gas and gas supply

1. In order to ensure energy security and meet domestic needs in commodity gas, the Republic of Kazakhstan has priority over other persons on the right to purchase alienated facilities of the unified commodity gas supply system, shares in the common ownership of facilities of the unified commodity gas supply system and stake packages (interests) of legal entities - owners of facilities of the unified system of supply of commodity gas (hereinafter - the priority right of the state).
2. The implementation of the priority right of the State in relation to objects classified in accordance with the civil legislation of the Republic of Kazakhstan as strategic objects is carried out in accordance with the Law of the Republic of Kazakhstan "On State Property."
3. The implementation of the priority right of the state in relation to objects not assigned to strategic objects in accordance with the civil legislation of the Republic of Kazakhstan is carried out through the national operator in the manner provided for in paragraphs 4-6 of this article.
4. A person who intends to dispose of an object of a unified commodity gas supply system, a share in the common ownership of the object of a unified commodity gas supply system and (or) a stake (interest) of a legal entity -the owner of the facility of the unified commodity gas supply system sends a commercial offer to the national operator indicating the price and other conditions of such alienation.
5. The national operator shall, within one month from the date of receipt of the commercial offer, decide on the exercise of the priority right of the State or on its refusal and shall notify the person who sent the commercial offer in writing of the decision.
6. If the national operator has refused the priority right of the state in writing or has not sent a written notice of its intention to implement it within a month, the person specified in paragraph 4 of this article shall have the right to dispose of the object of the unified commodity gas supply system, a share in the common ownership of the object of the unified commodity gas supply system and (or) a stake (interest) of the legal entity-owner of the object of the unified commodity gas supply system to other persons. The conditions of alienation shall be no less favourable to the person referred to in paragraph 4 of this Article than those offered to the national operator.
7. The provisions of this article do not apply to cases of:
 - 1) alienation of autogas compressor stations and gas consuming systems of industrial consumers;
 - 2) alienation of shares circulating on the organized securities market;
 - 3) transfer of facilities of the unified system of supply of commodity gas, shares in common ownership of facilities of the unified system of supply of commodity gas and (or) stakes of shares (shares) of legal entities-owners of facilities of the unified system of supply of commodity gas: a subsidiary organization in which at least ninety-nine percent of the interest (stake) directly or indirectly belongs to the owner of the object of the unified commodity gas supply system; between legal entities, in each of which at least ninety-nine percent of the interest (stake) directly or indirectly belongs to the same person;
 - 4) transfer of shares (interests) in the legal entity-owner of the object of the unified commodity gas supply system, if as a result of such transfer the person acquires the right directly or indirectly (through third parties) to dispose of less than 0.1 percent of the share (stake) in the authorized capital of the legal entity-owner of the object of the unified commodity gas supply system.

Article 15 has been in force since 1 April 2012

Article 15. State preferential right in the field of gas and gas supply

1. In order to ensure energy security and meet domestic needs for commodity gas, the Republic of Kazakhstan shall have the right to acquire alienated raw gas over other persons, owned by subsoil users in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use and contracts for subsoil use, as well as commodity gas produced by subsoil users in the process of processing of raw gas produced by them and owned by them in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use and contracts for subsoil use (hereinafter - the preferential right of the state).

2. The exercise of the pre-emptive right of the state is carried out through the national operator. Paragraph 3 is set out in the revision of the Law of the Republic of Kazakhstan 29.09.14 of 239-V (see edition)

3. The price of raw gas purchased by the national operator within the framework of the pre-emptive right of the state is determined by the subsoil user in the manner established by the authorized body, and includes:

- 1) raw gas production expenses determined on the basis of the production cost of the crude gas production unit calculated in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;
- 2) expenses for transportation of raw gas to the place of its sale to the national operator;
- 3) a profitability level of not more than ten percent.

Paragraph 4 is set out in the revision of the Law of the Republic of Kazakhstan 29.09.14 No. 239-V (see. edition)

4. The price of commodity gas purchased by the national operator within the framework of the pre-emptive right of the state is determined by the subsoil user in the manner established by the authorized body, and includes:

- 1) raw gas production expenses determined on the basis of the production cost of the crude gas production unit calculated in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;
- 2) expenses for production of commercial gas from raw gas;
- 3) expenses for transportation of commercial gas to the place of its sale to the national operator;
- 4) a profitability level of not more than ten percent.

5. The price of raw or commercial gas purchased by the national operator within the framework of the pre-emptive right of the state is subject to examination and approval by an authorized body.

6. Subsoil users intending to dispose of raw and (or) commodity gas in the forthcoming calendar year shall send for examination to the authorized body calculations of the price of crude and (or) commodity gas purchased by the national operator within the framework of the state's pre-emptive right, confirmed by documentation.

7. Based on the results of the examination of the calculated price of raw and (or) commodity gas purchased by the national operator within the framework of the pre-emptive right of the state, the authorized body within thirty calendar days from the date of receipt of the materials sends a notification to the subsoil user on approval of the calculated price of crude and (or) commodity gas purchased by the national operator within the framework of the pre-emptive right of the state, or a reasoned conclusion on the need to change it.

8. Subsoil users must not exceed the price of raw and/or commodity gas purchased by the national operator approved by the authorized body within the framework of the state's pre-emptive right.

9. Subsoil users intending to dispose of crude and/or marketable gas in the forthcoming calendar year shall, within five months prior to the beginning of the planned period, send a commercial offer to the national operator indicating:

- 1) volumes of disposable raw and/or marketable gas;
- 2) prices of alienated raw and (or) commodity gas;

3) point of supply of raw and (or) marketable gas.

10. The national operator shall, within one month from the date of receipt of the commercial offer, decide to exercise or renounce the pre-emptive right of the State and within the same period shall notify the person who sent the commercial offer in writing of the decision.

11. If the national operator in writing refused to exercise the pre-emptive right of the state or did not send a written notice of its intention to sell within a month, then the owner of commodity gas, subsoil user has the right to dispose of raw and (or) commodity gas to other persons in accordance with the requirements of this Law.

12. Contracts between subsoil users and the national operator, concluded when the national operator exercises the pre-emptive right of the state, may be concluded for a period of more than one calendar year.

13. Upon agreement of the parties, these contracts may be amended to provide for an increase in the volume of alienated raw and (or) commodity gas and/or extension of the terms of the contracts, without complying with the procedures provided for in paragraphs 5-7, 9 and 10 of this article.

14. The provisions of this article do not apply to cases of alienation:

- 1) crude gas produced in gas and/or gas condensate fields;
- 2) commercial gas produced from raw gas produced in gas and/or gas condensate fields;
- 3) liquefied natural gas and commercial gas obtained during its regasification;
- 4) raw gas sold in accordance with international treaties of the Republic of Kazakhstan;
- 5) commodity gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;
- 6) commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan on the basis of international agreements of the Republic of Kazakhstan;
- 7) commercial gas produced on the basis of an agreement concluded within the framework of a partnership in the field of gas and gas supply;

The paragraph is supplemented by sub-item 8 in accordance with the Law of the Republic of Kazakhstan of 22.06.12 No. 21-V

1) crude and (or) commodity gas produced (produced) by a subsoil user under a product sharing agreement (contract) having the stability of the tax regime in accordance with Article 308-1 of the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), the provisions of which provide for the preferential right of the state to purchase alienable crude and (or) commodity gas.

Article 16. Regulation of relations concerned to associated gas

1. The state owns associated gas:

- 1) mined by the subsoil user and owned by the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;
- 2) transferred by subsoil users to the state under previously concluded contracts for subsoil use, which provide for the subsoil user's ownership of the produced associated gas.

Paragraph 2 is set out in the revision of the Law of the Republic of Kazakhstan. 29.09.14 No 239-V (see edition)

2. By the decision of the authorized body, the associated gas specified in paragraph 1 of this article is transferred in the amount determined by it in the manner and under the conditions established by the authorized body to the property of the attracted investor on the basis of an agreement concluded within the framework of a partnership in the field of gas and gas supply.

3. Subsoil users producing commercial and (or) liquefied petroleum gas from associated gas belonging to the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use, by decision of the authorized body transfer commodity gas to the national operator or commercial and (or) liquefied petroleum gas to the attracted investor for further

use in a gas and gas partnership at a price agreed by the parties.

4. The agreement concluded by the investor with the authorized body within the framework of the partnership in the field of gas and gas supply shall contain, among other things, the following conditions:

- 1) processing of associated gas into commercial, liquefied petroleum and (or) liquefied natural gas;
- 2) supply of certain volumes of marketable, liquefied petroleum and (or) liquefied natural gas produced to meet the domestic needs of the Republic of Kazakhstan as a matter of priority, taking into account the general gasification scheme of the Republic of Kazakhstan.

Article 17. General conditions for sale of commercial, liquefied petroleum and liquefied natural gas

1. In order to protect the environment and health of the population of the Republic of Kazakhstan, only commercial and (or) liquefied petroleum gas is supplied to consumers, with the exception of the sale of raw gas to industrial consumers for use as raw materials.

Article 17, paragraph 2, has been in force since 1 July 2012

2. Sales of commercial gas taking into account the requirements of this Law are allowed exclusively:

- 1) national operator;
- 2) producers of commercial gas;
- 3) subsoil users who are owners of commercial gas produced in the process of processing of raw gas produced by them;
- 4) owners of commodity gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;
- 5) owners of commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan, on the basis of international agreements of the Republic of Kazakhstan;
- 6) gas distribution organizations;
- 7) owners of autogas compressor stations.

3. The sale of liquefied natural gas is carried out by individuals and legal entities taking into account the priority of providing for the internal needs of the Republic of Kazakhstan within the framework of the general gasification scheme of the Republic of Kazakhstan. Article 17, paragraph 4, has been in force since 1 July 2012

4. The sale of liquefied petroleum gas, taking into account the requirements of this Law, is allowed exclusively:

- 1) producers of liquefied petroleum gas;
- 2) owners of liquefied petroleum gas produced in the process of processing of hydrocarbon raw materials belonging to them on the right of ownership or other legal grounds;
- 3) owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;
- 4) by gas network organizations;
- 5) owners of gas filling stations and gas filling stations.

5. Sales of commercial, liquefied petroleum and (or) liquefied natural gas are carried out with their mandatory movement through control metering devices, except in cases specified by this Law.

6. Retail sales contracts for commercial and liquefied petroleum gas are concluded in accordance with model contracts.

The provisions of this paragraph do not apply to retail sales:

- 1) commercial and liquefied petroleum gas to domestic and industrial consumers;
- 2) commercial gas owners of autogas compressor stations;
- 3) liquefied petroleum gas by owners of gas stations;
- 4) liquefied petroleum gas in domestic cylinders.

7. The preferential right to use commercial or liquefied petroleum gas is enjoyed by household and communal consumers.

8. The gas transmission or gas distribution or gas network organization shall ensure, under the conditions established by this Law, uninterrupted supply of commercial or liquefied petroleum gas to consumers connected to the gas distribution system or group tank plant of such organization.

9. The gas transmission or gas distribution or gas network organization has the right to unilaterally suspend the supply of commercial or liquefied petroleum gas to the consumer until the violations are eliminated in the following cases:

- 1) violation by the consumer of the safety rules of gas supply systems facilities;
- 2) technical malfunction of gas supply systems facilities;
- 3) unauthorized connection of gas equipment by the consumer;
- 4) to prevent representatives of a gas transmission or gas distribution or gas network organization to gas pipelines, gas equipment and metering devices;
- 5) receivables for delivered commercial or liquefied petroleum gas in accordance with the contract of retail sale of commercial or liquefied petroleum gas.

Article 18. Accreditation of gas network organizations

1. Gas network organizations are subject to accreditation to the authorized body in accordance with the rules for accreditation of gas network organizations.

2. Accreditation is carried out at the expense of the accredited entity and is confirmed by an accreditation certificate.

3. The accreditation certificate is valid throughout the territory of the Republic of Kazakhstan, is indefinite, inalienable and cannot be transferred to another physical or legal person.

4. The accreditation certificate shall be terminated in the following cases:

- 1) voluntary return of accreditation certificate;
- 2) termination of ownership of the gas filling station and/or group tank plants on the right of ownership or other legal basis;
- 3) liquidation of a legal entity or its reorganization in the form of division;
- 4) deprivation of accreditation certificate.

5. Suspension and deprivation of accreditation certificates shall be carried out in accordance with the procedure established by the laws of the Republic of Kazakhstan.

See: State Service Standard "Accreditation of Gas Network Organizations" (Appendix 7 to the Order of the Minister of Energy of the Republic of Kazakhstan dated February 23, 2015 No. 132)

Article 19. Operation of gas-consuming systems and gas equipment of consumers

1. Owners of gas-consuming systems and gas equipment are obliged to ensure their proper technical condition and safety.

2. Industrial consumers are obliged to have qualified personnel for the maintenance of their gas-consuming systems, as well as a person responsible for the safe operation of gas-consuming systems, or to conclude a contract for the maintenance of their gas-consuming systems with a specialized organization that provides technical maintenance of gas-consuming systems, certified in accordance with the legislation of the Republic of Kazakhstan in the field of industrial safety for the right to carry out work in the field of industrial safety.

3. Utility and household consumers are obliged to conclude a contract for the maintenance of their gas-consuming systems with a gas distribution or gas network organization supplying commercial or liquefied petroleum gas, or with an independent specialized organization providing technical maintenance of gas-consuming systems, certified in accordance with the legislation of the Republic of Kazakhstan in the field of industrial safety for the right to carry out work in the field of industrial safety.

4. Domestic and domestic consumers using liquefied petroleum gas in household cylinders are required to enter into a contract for the maintenance of their gas equipment with a gas network organization or the owner of a gas filling station that retails liquefied petroleum gas in household cylinders.

5. It is prohibited to operate gas-consuming systems and gas equipment of domestic and domestic consumers without concluding a contract for their maintenance.
6. The organization performing maintenance of gas-consuming systems, gas equipment of municipal and domestic consumers is obliged to ensure their serviceable technical condition.

Article 20. State regulation of wholesale prices of commercial and liquefied

1. The Republic of Kazakhstan carries out state regulation of prices of wholesale sale of commercial and liquefied petroleum gas in the domestic market.

Paragraph 2 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.12.14 of 269-V (see art. edition)

2. The marginal prices of wholesale sale of commodity gas in the domestic market are set annually on July 1 separately for each region, city of republican significance, capital taking into account the economic and social conditions of gas supply of the regions of the Republic of Kazakhstan.

Paragraph 3 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.09.14 of 239-V (see art. edition); The law RK of 29.12.14 No. 269-V (see I am old. edition)

3. The authorized body, in agreement with the authorized body for state planning, shall approve the marginal prices of wholesale sale of commodity gas in the domestic market for the coming year no later than the fifteenth of May.

4. It is excluded according to the Law RK of 29.09.14 No. 239-V (see I am old. edition)

5. The limit price of wholesale sale of liquefied petroleum gas in the domestic market is set quarterly and is valid throughout the territory of the Republic of Kazakhstan.

Paragraph 6 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.09.14 of 239-V (see art. edition)

6. The authorized body shall approve the wholesale prices of liquefied petroleum gas on the domestic market for the forthcoming quarter within fifteen calendar days prior to the beginning of the planned period.

7. It is excluded according to the Law RK of 29.09.14 No. 239-V (see I am old. edition)

8. Persons carrying out wholesale sales of commercial or liquefied petroleum gas in the territory of regions, cities of republican significance and the capital are obliged not to exceed the established limit prices of wholesale sales of commercial or liquefied petroleum gas.

9. The marginal prices of wholesale sale of commodity gas in the domestic market, established by this article, do not apply to relations on sale of commodity gas:

- 1) to the national operator within the framework of the pre-emptive right of the state;
- 2) the national operator owners of commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan, on the basis of international agreements of the Republic of Kazakhstan;
- 3) liquefied natural gas obtained during regasification;

The paragraph is supplemented by sub-item 4 in accordance with the Law of the Republic of Kazakhstan of 22.06.12 No. 21-V

4) produced (produced) by the subsoil user in the framework of the agreement (contract) on the division of products that has the stability of the tax regime in accordance with Article 308-1 of the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), the provisions of which provide for the preferential right of the state to purchase alienable raw and (or) commodity gas.

Article 21. Monitoring of production, transportation, storage and sale of commercial, liquefied petroleum and liquefied natural gas

1. The authorized body monitors the production, transportation, storage and sale of commercial, liquefied petroleum and liquefied natural gas, including:

- 1) monitoring of production volumes of commercial, liquefied petroleum and liquefied natural gas in the Republic of Kazakhstan;
- 2) monitoring the volume of transportation and storage of commercial gas;

- 3) monitoring of sales volumes, including export and import of commercial, liquefied petroleum and liquefied natural gas in the Republic of Kazakhstan;
 - 4) monitoring of wholesale prices for commercial, liquefied petroleum and liquefied natural gas sold in the Republic of Kazakhstan;
 - 5) monitoring of retail prices for commercial and liquefied petroleum gas sold in the Republic of Kazakhstan;
 - 6) monitoring of domestic needs of the Republic of Kazakhstan in commodity and liquefied petroleum gas.
2. Persons engaged in wholesale and/or retail sales of commodity gas shall submit to the authorized body information on sale of commodity gas, including those imported for consumption into the territory of the Republic of Kazakhstan, no later than the twentieth of the month following the reporting month.
 3. Gas transmission and gas distribution organizations shall provide the national operator with information on the volumes of transportation and storage of commercial gas no later than the fifth day of the month following the reporting month.
 4. The national operator shall represent:
 - 1) monthly no later than the twentieth of the month following the reporting month, information on the volume of commodity gas transportation through gas pipelines and its storage in commodity gas storage facilities;
 - 2) annually not later than the first February of the year following the reporting year, information on the volumes of purchased raw and commercial gas within the framework of the state's pre-emptive right;
 - 3) forecast of domestic requirements of the Republic of Kazakhstan for commodity gas for the upcoming calendar year no later than three months before the beginning of the planned period.
 5. Manufacturers shall submit to the authorized body:
 - 1) monthly no later than the fifth of the month following the reporting month, information on the production of commercial, liquefied petroleum and liquefied natural gas;
 - 2) annually no later than three months before the beginning of the planned period, the projected volume of production of commercial, liquefied petroleum and liquefied natural gas for the next five years.
 6. Persons engaged in wholesale and/or retail sales of liquefied petroleum gas shall submit monthly, not later than the fifth day of the month following the reporting month, to the local executive bodies of the regions, cities of national significance and the capital in the territory of which such sales are carried out, information on the sale of liquefied petroleum gas, including those produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan.
 7. Local executive bodies of the region, cities of republican significance, capitals submit to the authorized body:
 - 1) monthly no later than the fifteenth day of the month following the reporting, information on the sale and consumption of liquefied petroleum gas in the territory of the region, the city of republican significance, the capital;
 - 2) annually not later than three months before the beginning of the planned period, the forecast of liquefied petroleum gas consumption for the upcoming calendar year in the territory of the region, the city of republican significance, the capital.
 8. Persons engaged in the wholesale of liquefied natural gas shall submit to the authorized body monthly no later than the fifth day of the month following the reporting month information on the sale of liquefied natural gas, including those produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan.
 9. The information provided for in paragraphs 2-8 of this article shall be submitted in accordance with the procedure approved by the Government of the Republic of Kazakhstan.
 10. The authorized body in the field of customs affairs shall submit to the authorized body monthly no later than the fifteenth day of the month following the reporting month information on import

and export of commercial, liquefied petroleum and liquefied natural gas in the Republic of Kazakhstan.

11. Based on the monitoring data, the authorized body draws up a forecast balance of production, sale and consumption of commercial and liquefied petroleum gas in the territory of the Republic of Kazakhstan for the upcoming calendar year.

Chapter 5. STATE REGULATION OF TRANSPORTATION, STORAGE, SALE AND ACCOUNTING OF COMMODITY GAS

Article 22. Transportation and storage of commercial gas

1. Services for the transportation of commodity gas through connecting, main gas pipelines, as well as for the storage of commodity gas in commodity gas storage facilities are provided by gas transportation organizations.

2. The operation of the same connecting, main gas pipelines and commodity gas storage facilities by two or more gas transportation organizations is prohibited.

Article 22, paragraph 3, has been in force since 1 April 2012

3. Gas transportation organizations have the right to provide services for the transportation of commodity gas through gas pipelines outside the territory of the Republic of Kazakhstan exclusively:

- 1) to the national operator;
- 2) producers of marketable gas;
- 3) subsoil users who own commercial gas produced during processing of raw gas produced by them;
- 4) owners of commodity gas produced outside the territory of the Republic of Kazakhstan, having the intention to transport it through the territory of the Republic of Kazakhstan.

4. Gas transmission, gas distribution organizations are obliged to:

- 1) subject to the restrictions provided for in paragraph 3 of this Article, provide the owners of commodity gas on equal terms with access to the capacities of the main gas pipeline, commodity gas storage or gas distribution system in accordance with the legislation of the Republic of Kazakhstan on natural monopolies and regulated markets;
 - 2) provide at the request of the authorized body information on the availability of free capacities of the main gas pipeline, commodity gas storage, gas distribution system, as well as a program for their use;
 - 3) inform owners of commodity gas and (or) consumers about planned repair and preventive works affecting fulfillment of obligations on transportation, storage and (or) retail sale of commodity gas.
5. The gas transportation organization shall refuse the owner of the commodity gas to transport and/or store the commodity gas in cases of:

Subparagraph 1 was amended in accordance with the Law of the Republic of Kazakhstan No. 10.07.12 of 31-V (see art. edition)

- 1) non-compliance of commodity gas with the requirements of technical regulations and national standards;

Article 22, paragraph 5, subparagraph 2, has been in force since 1 April 2012

- 2) non-submission by the subsoil user of the written refusal of the national operator from the pre-emptive right of the state to acquire the volumes of commodity gas planned for transportation, or documents confirming the receipt by the national operator a month before the subsoil user applies to the gas transportation organization of a commercial proposal to alienate the volumes of commodity gas planned for transportation.

6. Gas transportation organizations are responsible for unreasonable refusal to transport and store commodity gas in the manner stipulated by the laws of the Republic of Kazakhstan and the contract for the provision of services for the transportation and storage of commodity gas.

Article 23. Wholesale sale of commercial gas

Article 23, paragraph 1, has been in force since 1 July 2012

1. Wholesale sale of commercial gas is entitled to carry out:

- 1) national operator;
- 2) producers of commercial gas;
- 3) subsoil users who own commercial gas produced during processing of raw gas produced by them;
- 4) owners of commodity gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;
- 5) owners of commodity gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan, on the basis of international agreements of the Republic of Kazakhstan, in cases of sale of commodity gas to the national operator and (or) outside the territory of the Republic of Kazakhstan;
- 6) gas distribution organizations in cases of sale of commercial gas to the national operator and/or owners of autogas compressor stations.

Other persons shall not be entitled to carry out wholesale sales of marketable gas.

2. A person who has purchased commodity gas from the persons referred to in paragraph 1 of this Article is forbidden to carry out its wholesale sale, except in cases of wholesale sale by gas distribution organizations to the national operator and/or owners of autogas compressor stations.

The provisions of this paragraph shall not apply to the national operator.

Article 24. Retail trade of commercial gas

Article 24, paragraph 1, has been in force since 1 July 2012

1. Retail sales of commodity gas are carried out:

- 1) gas distribution organizations;
- 2) owners of autogas compressor stations;
- 3) It is excluded according to the Law RK of 29.12.14 No. 269-V (see I am old. edition)
- 4) producers of commercial gas, subsoil users who own commercial gas produced in the process of processing of raw gas produced by them, owners of commercial gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan, in case of retail sale of commercial gas to industrial consumers, gas consuming systems of which are connected directly to the main or connecting gas pipeline.

Other persons are not entitled to retail sales of commodity gas.

2. Connection of gas equipment of individuals and legal entities to the gas distribution system, modernization and (or) reconstruction of gas supply systems facilities required to cover additional loads of connected consumers in case of lack of free capacity, as well as change of the technological scheme of such connection are carried out by the gas distribution organization at the expense of such consumers.

3. The supply of commercial gas to gas consuming consumer systems is carried out by a gas transmission or gas distribution organization

Article 25. Commercial gas recording

1. Transportation, storage and sale of commercial gas without taking into account its volume are not allowed.

2. The volume of commercial gas transported through the main gas pipelines is recorded by the gas transportation organization at the gas measuring stations using gas metering devices with constant confirmation of data on commercial gas metering devices installed at the points of receipt (transfer) of commercial gas. Gas transportation organizations provide data on the accounting of the volume of transported commodity gas to the national operator.

3. The volume of commercial gas transported by gas distribution systems is taken into account by gas distribution organizations for metering devices. Gas distribution organizations ensure the transfer of data on the accounting of the volume of marketable commodity gas to the national operator.

4. The volume of commercial gas used by industrial and municipal consumers is taken into account:

- 1) on metering devices installed at points of receipt (transfer) of commercial gas;

2) by the capacity of gas-consuming equipment - in the absence of metering devices, their malfunction or non-conformity with the parameters of gas equipment.

5. The volume of commercial gas used by domestic consumers is taken into account:

1) for individual metering devices;

2) for collective metering devices in apartment buildings;

3) for collective metering devices in individual residential buildings installed on cabinets of regulatory or gas control points;

Subparagraph 4 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.09.14 of 239-V (see art. edition)

4) according to consumption standards approved by local executive bodies of regions, cities of republican significance and the capital - in the absence of individual or collective metering devices, their malfunction or non-conformity with gas equipment parameters.

Changes according to the Law RK of 10.07.12 No. 31-V are made to Paragraph 6 (see I am old. edition)

6. Commercial gas metering devices shall comply with the requirements of technical regulations and national standards.

Chapter 6. STATE REGULATION OF TRANSPORTATION, STORAGE, SALE AND ACCOUNTING OF LIQUEFIED PETROLEUM AND LIQUEFIED NATURAL GAS

Article 26. Transportation of liquefied petroleum and liquefied natural gas by rail, road, sea and inland water transport

1. Transportation of liquefied petroleum and liquefied natural gas by rail, road, sea and inland waterways is permitted by means of specially equipped and approved transport in accordance with the requirements imposed by the legislation of the Republic of Kazakhstan for the transport of dangerous goods.

Article 26, paragraph 2, has been in force since 1 April 2012

2. Transportation of liquefied petroleum and liquefied natural gas by rail, road, sea and inland water transport outside the territory of the Republic of Kazakhstan independently or with the involvement of persons providing services for transportation of liquefied petroleum and (or) liquefied natural gas is entitled to:

1) producers of liquefied petroleum and liquefied natural gas;

2) owners of liquefied petroleum and (or) liquefied natural gas produced in the process of processing of hydrocarbon raw materials belonging to them on the right of ownership or otherwise legally;

3) owners of liquefied petroleum and (or) liquefied natural gas produced outside the territory of the Republic of Kazakhstan, having the intention to carry it through the territory of the Republic of Kazakhstan;

Point is supplemented with Subparagraph 4 according to the Law RK of 22.06.12 No. 21-V; is set out in the revision of the Law of the Republic of Kazakhstan of 28.04.16 No. 506-V (see art. edition)

4) owners of liquefied petroleum gas purchased from persons specified in subparagraphs 1), 2) and 3) of this paragraph, legally outside the plan of supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan.

Article 26, paragraph 3, has been in force since 1 April 2012

3. Persons providing services for transportation of liquefied petroleum and/or liquefied natural gas outside the territory of the Republic of Kazakhstan shall have the right to provide such services exclusively to persons specified in paragraph 2 of this article.

4. Documents related to the transport of liquefied petroleum and/or liquefied natural gas by rail, road, sea and inland waterways shall comply with the requirements established by the legislation of the Republic of Kazakhstan for the transport of dangerous goods for each mode of transport.

5. Design and operating conditions of means of storage and transportation of liquefied petroleum or liquefied natural gas by rail, road, sea and inland waterways shall comply with the requirements of technical regulations.

Article 27. Wholesale of liquefied petroleum gas

Article 27, paragraphs 1 to 3, is effective from 1 July 2012

1. The wholesale sale of liquefied petroleum gas has the right to carry out:

- 1) liquefied petroleum gas producers;
- 2) owners of liquefied petroleum gas produced in the process of processing of hydrocarbon raw materials belonging to them on the right of ownership or other legal grounds;
- 3) owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;

Subparagraph 4 was amended in accordance with the Law of the Republic of Kazakhstan No. 22.06.12 of 21-V (see art. edition); is set out in the revision of the Law of the Republic of Kazakhstan of 28.04.16 No. 506-V (see art. edition)

4) gas network organizations in case of sale of liquefied petroleum gas to owners of gas filling stations and/or gas filling stations.

Other persons shall not be entitled to wholesale liquefied petroleum gas. Changes according to the Law RK of 22.06.12 No. 21-V are made to Paragraph 2 (see I am old. edition); is set out in the revision of the Law of the Republic of Kazakhstan of 28.04.16 No. 506-V (see art. edition)

2. A person who has purchased liquefied petroleum gas from persons specified in paragraph 1 of this article is prohibited from wholesaling it, except in cases of wholesale sale by gas network organizations to owners of gas filling stations and (or) gas filling stations.

3. In order to meet the needs of the domestic market of the Republic of Kazakhstan for liquefied petroleum gas, the authorized body shall approve, in accordance with the procedure established by the Government of the Republic of Kazakhstan, a monthly plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan, which shall determine:

- 1) list of producers, owners of liquefied petroleum gas produced in the process of processing hydrocarbon raw materials belonging to them on the right of ownership or other legal grounds;
- 2) volume of liquefied petroleum gas, mandatory for sale in the domestic market of the Republic of Kazakhstan;
- 3) The list of gas network organizations to which producers, owners of liquefied petroleum gas produced during the processing of their owned or otherwise legally owned hydrocarbon raw materials are obliged to sell liquefied petroleum gas.

4. The plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan is developed on the basis of applications sent by gas network organizations to the authorized body no later than the fifteenth day of the month preceding the planned one.

Article 27, paragraphs 5 to 7, is effective from 1 July 2012

5. The volume of liquefied petroleum gas required for sale on the domestic market of the Republic of Kazakhstan is determined by the authorized body separately for each producer, owner of liquefied petroleum gas produced in process of processing of hydrocarbon raw materials belonging to it on the right of ownership or otherwise legally, in proportion to the volume of liquefied petroleum gas production based on applications of gas network organizations.

Paragraph 6 is set out in the revision of the Law of the Republic of Kazakhstan No. 22.06.12 of 21-V (see art. edition)

6. Gas network organizations have the right to purchase liquefied petroleum gas, implemented in accordance with the plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan.

Volumes of liquefied petroleum gas purchased in accordance with the plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan are sold by gas network organizations exclusively in the domestic market of the Republic of Kazakhstan.

7. Producers and owners of liquefied petroleum gas produced in the process of processing of legally

owned or otherwise legally owned hydrocarbons are obliged to fulfill the plan for the supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan.

8. The provisions of paragraphs 3, 5 and 7 of this article shall not apply to:

1) for producers whose design capacity of liquefied petroleum gas production does not exceed five thousand tons per year;

2) owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan from raw gas produced in the Republic of Kazakhstan, on the basis of international treaties of the Republic of Kazakhstan.

The article is supplemented by paragraph 9 in accordance with the Law of the Republic of Kazakhstan of 28.04.16 No 506-V

9. The right to sell liquefied petroleum gas outside the Republic of Kazakhstan is exclusively vested in:

1) liquefied petroleum gas producers;

2) owners of liquefied petroleum gas produced in the process of processing of hydrocarbon raw materials belonging to them on the right of ownership or other legal grounds;

3) owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan;

4) owners of liquefied petroleum gas purchased from persons specified in subparagraphs 1), 2) and 3) of this paragraph, legally outside the plan of supply of liquefied petroleum gas to the domestic market of the Republic of Kazakhstan.

Other persons shall not be entitled to sell liquefied petroleum gas outside the Republic of Kazakhstan.

The article is supplemented by paragraph 10 in accordance with the Law of the Republic of Kazakhstan of 28.04.16 No. 506-V

10. Wholesale sale of liquefied petroleum gas between gas network organizations is prohibited.

Article 28. Retail trade of liquefied petroleum gas

1. Retail sales of liquefied petroleum gas are carried out:

1) gas network organizations;

2) owners of gas filling stations;

3) owners of gas stations;

4) producers, owners of liquefied petroleum gas produced in the process of processing of hydrocarbon raw materials owned or otherwise legally owned by them, owners of liquefied petroleum gas produced outside the territory of the Republic of Kazakhstan and imported for consumption into the territory of the Republic of Kazakhstan, in case of retail sale of liquefied petroleum gas to industrial consumers.

Other persons are not entitled to retail sales of liquefied petroleum gas.

2. The gas network organization operating the group tank units is obliged to ensure their safety and serviceable technical condition.

3. Connection of gas equipment of individuals and legal entities to the system of supply of liquefied petroleum gas, modernization and (or) reconstruction of facilities of the system of supply of liquefied petroleum gas, as well as change of technological scheme of connection are carried out by the gas network organization at the expense of such persons.

4. Retail sales of liquefied petroleum gas to consumers through group tank plants are carried out on the basis of a contract for the retail sale of liquefied petroleum gas between the consumer and the gas network organization.

5. Retail sales of liquefied petroleum gas in household cylinders are carried out by gas network organizations and owners of gas filling stations, which are obliged to ensure the serviceable technical condition of household cylinders.

At the same time, filling of household cylinders with liquefied petroleum gas is allowed at gas filling points and gas filling stations.

6. Gas network organizations and owners of gas filling stations are obliged to:

1) perform subscriber registration of consumers purchasing liquefied petroleum gas in household

cylinders;

2) inspect the filled household cylinders for technical serviceability;

3) mark household cylinders with the trademark of the gas network organization or the owner of the gas filling station;

4) issue a quality warranty ticket for each household bottle sold to consumers;

5) provide emergency and scheduled maintenance of gas balloons..

7. It is forbidden:

Article 28, paragraph 7, subparagraph 1, has been in force since 1 July 2013

1) storage and/or use of liquefied petroleum gas in household cylinders in residential apartment buildings with a storey of more than two floors;

Article 28, paragraph 7, subparagraph 2, has been in force since 1 July 2012

Subparagraph 2 is set out in the revision of the Law of the Republic of Kazakhstan No. 16.05.14 of 203-V (see art. edition)

2) operation of the same gas filling stations simultaneously by two or more gas network organizations;

Article 28, paragraph 7, subparagraph 3, has been in force since 1 July 2012

3) the use of gas filling stations and gas filling stations for the sale of liquefied petroleum gas simultaneously by two or more physical and (or) legal entities.

8. The gas network organization operating in-house gas equipment designed to supply liquefied petroleum gas to the gas consuming systems of consumers is obliged to ensure its safety and serviceable technical condition.

The provision of this paragraph does not apply to gas equipment inside a dwelling.

Article 29. Liquefied petroleum gas recording

1. Accounting of liquefied petroleum gas at gas filling stations, gas filling stations, gas filling stations and group tank plants is carried out in accordance with the procedure for retail sale and use of commercial and liquefied petroleum gas approved by the Government of the Republic of Kazakhstan.

2. Liquefied petroleum gas sold to consumers shall be accounted for by metering instruments, except for the case provided for in paragraph 3 (2) of this article.

3. Accounting of liquefied petroleum gas sold to domestic consumers through group tank plants is carried out by volume method:

1) for individual metering devices;

Subparagraph 2 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.09.14 of 239-V (see art. edition)

2) according to consumption standards approved by local executive bodies of regions, cities of republican significance and the capital - in the absence of individual metering devices, their malfunction or non-conformity with gas equipment parameters.

4. The provisions of paragraphs 2 and 3 of this article do not apply to liquefied petroleum gas sold to consumers in household cylinders.

See also: A technique of accounting of a consumption of the liquefied oil gas at gas-filling stations, gas-filling points, in group reservoir installations (the order of Committee on affairs of construction and housing and communal services of the Ministry of regional development of the Republic of Kazakhstan of December 27, 2013 No. 394-n ě)

Chapter 7. SAFETY PROVISION OF GAS SUPPLY SYSTEMS

Article 30. Safety provision of gas supply systems

1. The safety of gas supply systems is ensured in accordance with the legislation of the Republic of Kazakhstan in the field of industrial, fire safety, natural and man-made emergencies and environmental legislation of the Republic of Kazakhstan.

See safety requirements for gas supply systems facilities

2. Owners of gas supply facilities are obliged to ensure their safe operation and serviceability, carry out maintenance work or conclude a contract for the maintenance of their facilities.
3. Individuals and legal entities performing maintenance work on gas supply systems facilities are obliged to ensure their quality and timely performance.
4. Owners of smoke and ventilation channels, seals of building utilities and premises are required to ensure their serviceable technical condition.
5. Gas transmission, gas distribution and gas network organizations are required to have an emergency dispatch service with a round-the-clock operation mode, including weekends and holidays.
6. Gas transmission, gas distribution and gas network organizations have the right on a contractual basis to involve the emergency dispatch service of other organizations to eliminate emergency situations.
7. Facilities of gas supply systems are facilities of continuous power supply. Power supply organizations are prohibited from carrying out regime measures to limit the established energy consumption limits at gas supply system facilities without coordination with organizations operating gas supply system facilities.
8. Operation of a single technical corridor by two or more organizations is prohibited.

Article 31. State control and supervision in the field of gas and gas supply

1. State control and supervision in the field of gas and gas supply is carried out in the form of verification and other forms.

Paragraph 2 is set out in the revision of the Law of the Republic of Kazakhstan No. 29.10.15 of 376-V (put into force on January 1, 2016) (see art. edition)

2. Verification is carried out in accordance with the Business Code of the Republic of Kazakhstan. Other forms of state control and supervision are carried out in accordance with the laws of the Republic of Kazakhstan.

See: Joint Order of the Minister of Energy of the Republic of Kazakhstan dated December 24, 2015 No. 748 and the Minister of National Economy of the Republic of Kazakhstan dated December 29, 2015 No. 824 "On Approval of the Verification List in the Field of Gas and Gas Supply"

Article 32. Protective zone of gas supply systems facilities

1. In order to ensure the safety of the population, prevent damage to the environment, as well as create conditions for the safe operation of gas supply facilities in the territories adjacent to them, protection zones are established. For a single technical corridor, one security zone is installed.

2. The boundaries of the protection zones of gas supply systems facilities are established in accordance with the requirements of technical regulations.

3. In the protection area of the gas supply system facility, it is prohibited without written permission issued by the organization operating the gas supply system facility, the production of construction, installation, earthworks, loading and unloading works, search work related to the installation of wells and holes, the arrangement of sites, parking lots of road transport, the placement of markets, the storage of materials, the construction of fences and fences, the discharge and discharge of caustic corrosive substances and fuel and lubricants.

4. Responsibility for violations of safety requirements in the security zone is borne by persons conducting economic activities without written permission of the organization operating the gas supply system facility.

Chapter 8. FINAL AND TRANSITIONAL PROVISIONS

Article 33. Liability of infringement of the legislation of the Republic of Kazakhstan on gas and gas supply

Violation of the legislation of the Republic of Kazakhstan on gas and gas supply entails liability established by the laws of the Republic of Kazakhstan.

Article 34. Transitional provisions

1. This Law shall apply to relations arising after its enactment, except as provided for in paragraph 2 of this article.

2. Under contracts for the purchase and sale of raw, commercial and/or liquefied petroleum gas, as well as for the maintenance of gas-consuming systems and gas equipment of domestic and domestic consumers, concluded before the enactment of this Law for a period of more than one calendar year, the seller or contractor is obliged to carry out their renegotiation by December 31, 2012, taking into account the provisions of this Law.

The provisions of this paragraph do not apply to contracts for the sale of raw, commercial and/or liquefied petroleum gas concluded within the framework of the execution of international agreements of the Republic of Kazakhstan.

3. Legal entities operating a gas filling station, group tank units, as well as wholesale and retail sales of liquefied petroleum gas in the territory of the Republic of Kazakhstan, to continue

The implementation of these activities as gas network organizations is obliged to bring their activities in accordance with this Law and to undergo the accreditation procedure by July 1, 2012.

Article 35. Procedure for enacting this Law

This Law shall be enacted ten calendar days after its first official publication, with the exception of: Article 9, paragraph 1 (3) and (4), articles 14, 15, article 22, paragraph 3, paragraph 5 (2), article 26, paragraphs 2 and 3, which are effective from 1 April 2012;

Article 5 (6) (2), article 20 (4) and (7), which are effective from 1 June 2012;

(3) Article 6 (18), article 17 (2) and (4), article 23 (1), article 24 (1), article 27 (1) to (3), article 27 (5) to (7), article 28 (2) and (3), which are effective from 1 July 2012;

Article 28, paragraph 7 (1) (4), which is effective from 1 July 2013.

**President of the Republic
of Kazakhstan**

N. NAZARBAYEV

**Astana, Akorda, 9
January 2012**

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