

Overview of Kazakhstan's commitments

Working Party members praised the "high quality" of Kazakhstan's accession package. It provides significant improvements in market access opportunities for all WTO Members, under the Most-favoured-nation principle under which countries cannot discriminate between their trading partners. Taken together, its commitments further liberalize its trade regime and provide impetus for its continued integration in the global economy. The deal also offers a transparent and predictable environment for trade and foreign investment, ensuring fair competition and increased consumer welfare.

Market access for goods and services

As part of the accession negotiations, Kazakhstan concluded 29 bilateral market access agreements on goods and 15 bilateral market access agreements on services.

On goods, Kazakhstan has undertaken tariff concessions and commitments that bind tariff rates for all products on average at 6.1 per cent. For agricultural products, this average is 7.6 per cent while for non-agricultural products the average is 5.9 per cent.

Kazakhstan committed to join the Information Technology Agreement (ITA) upon accession, a WTO plurilateral agreement providing for participants to completely eliminate duties on IT products covered by the ITA Agreement.

Tariff-rate quotas (TRQs) will be applied to beef other than high-quality beef and to poultry products. Imports entering the market within the quota will benefit from lower tariffs, while higher duties will be applied to products imported outside the quota, as per below:

- For beef 15% for the in-quota tariff rate, and 40% for the out-of-quota tariff rate
- For poultry products 15% for the in-quota tariff rate, and 40% but not less than 0.65 euro/kg for the out-quota tariff rate

Kazakhstan agreed to bind export duties for 370 tariff lines spread over 21 Harmonized System Chapters, of which 55 are bound at 0%. If and when a common Eurasian Economic Union (EAEU) policy on export duties is implemented, Kazakhstan will also be bound by the list of commitments of the Russian Federation on export duties. This list consists of 556 tariff lines, of which 81.3% are bound at 0%.

On services, Kazakhstan has made specific commitments in 10 services sectors, including 116 sub-sectors. These include:

- **Telecommunications:** Foreign equity limitation (49%) to be eliminated 2.5 years after accession (except for JSC "Kazakhtelecom"). Agreed to apply the WTO Basic Telecommunications Agreement.
- **Insurance:** Foreign insurance companies will be allowed to establish branches 5 years after accession.
- **Banking:** Foreign banks will be allowed to establish branches 5 years after accession.
- **Transport:** Commitments in maritime and road transport services, including transportation of freight and passengers.
- **Tourism:** Cross-border travel agency and tour operator services to be allowed 2 years after accession.
- **Distribution:** Wholesale distribution of pharmaceutical, para-pharmaceutical and medical goods to be allowed 5 years after accession.

Rules Package

On its rules Package, Kazakhstan' Accession Working Party Report contains 118 specific commitment paragraphs.

From the date of accession, Kazakhstan has committed to fully apply all WTO provisions with recourse to transitional periods including for telecom, insurance, banking and tourism. Kazakhstan will initiate negotiations to accede to the Government Procurement Agreement within four years of its accession, a WTO plurilateral agreement covering the procurement of goods, services and capital infrastructure by Governments and other public authorities.

A unique aspect of Kazakhstan's rules commitments is the extent of accession specific commitments "accepted" by Kazakhstan, which shall be applicable to and bind the EAEU and its member States on matters falling under the competence of the EAEU. There are 23 commitments which contain measures to be undertaken by "Kazakhstan and/or the competent bodies of the EAEU". Moreover, as part of the EAEU, Kazakhstan undertook commitments to align its tariff concessions (import and export duties), including through future post-accession compensatory adjustment.

Bilateral Deals

Kazakhstan's bilateral market access deals were:

- On goods with: Argentina, Australia, Brazil, Canada, China, Cuba, Dominican Republic, Ecuador, Egypt, El Salvador, European Union, Georgia, Guatemala, Honduras, India, Israel, Japan, Korea, Kyrgyz Republic, Malaysia, Mexico, Norway, Oman, Pakistan, Kingdom of Saudi Arabia, Switzerland, Chinese Taipei, Turkey and the United States.
- On services with: Australia, Brazil, Canada, China, Egypt, European Union, India, Japan, Korea, Norway, Kingdom of Saudi Arabia, Switzerland, Chinese Taipei, Turkey and the United States.

Following the conclusion of all bilateral market access negotiations between interested members and the acceding government, the WTO Secretariat consolidates the results of all concluded, signed and deposited bilateral agreements into a Schedule of Concessions and Commitments on Goods ("Draft Goods Schedule") and a Schedule of Specific Commitments on Services ("Draft Services Schedule"). The Schedules are the "Final Market Access Offers" by the acceding governments which, when adopted, become available to all WTO Members.

Further accession-specific commitments

General Commitments related to the Trade Regime

Kazakhstan would apply restrictions on foreign exchange or payments, if introduced, in conformity with WTO requirements.

Access to Government owned/regulated pipelines is granted for foreign investors producing crude oil and gas in Kazakhstan on a non-discriminatory basis. When applying measures relating to pipeline transportation, there will be no discrimination with respect to the origin of crude oil and gas production and destination, or in the application of pipeline transportation tariffs with respect to foreign and domestic investors.

State-controlled enterprises will make purchases or sales in accordance with commercial considerations and will afford opportunity to other WTO members to participate in such purchases and sales.

Kazakhstan will apply price controls in conformity with WTO provisions. Price controls will not be used for the purpose of affording protection to domestic products or impair Kazakhstan's service commitments.

Kazakhstan will apply WTO provisions, including its Protocol of Accession, uniformly throughout the entire customs territory, including its special economic zones, and other areas where special regimes for tariffs, taxes and regulations are established.

Kazakhstan will provide the right for independent review on matters subject to the WTO Agreement.

In its participation in preferential trade agreements, Kazakhstan will observe relevant WTO provisions, including Article XXIV of the GATT 1994 and Article V of the GATS.

Specific Commitments on the Import Regime: The EAEU Generalized System of Preferences (EAEU GSP Scheme) for developing and least-developed countries will be applied in compliance with WTO provisions upon accession.

Kazakhstan will bind other duties and charges at zero in its Schedule of Concessions and Commitments on Goods. All fees and charges for services rendered, applied on or in connection with importation or exportation, will conform to the provisions of the WTO Agreement.

Tariff Rate Quotas will be allocated in line with the Bali Ministerial Decision on the TRQ Administration.

Internal taxes (value-added tax (VAT), excise taxes) and other charges on imports will be applied in compliance with WTO Agreements, including Articles I and III of the GATT 1994.

Quantitative restrictions on imports, such as quotas, bans, permits, prior authorization requirements, licensing requirements or other requirements or restrictions that cannot be justified under the WTO Agreement will be eliminated and not (re)introduced, whether by Kazakhstan or the competent bodies of the EAEU.

Import licensing requirements for certain products with encryption technology will be replaced by a one-time notification requirement. For those encryption products still requiring an import licence, expert evaluation and approval will only be needed once.

Laws, measures and practices on customs valuation and rules of origin, whether adopted/implemented by Kazakhstan or the competent bodies of the EAEU, will comply with WTO agreements, upon accession. Pre-shipment inspection scheme, if introduced, would be in conformity with the WTO Agreement.

All anti-dumping, countervailing and safeguard measures, whether by Kazakhstan or the competent bodies of the EAEU, will be applied in conformity with the WTO Agreements. Members may request a review of trade remedy measures, including those investigations launched before accession, on their consistency with the WTO Agreement.

Export Policies: Kazakhstan will apply export duties in line with the WTO Agreement, in particular, Article I of the GATT 1994, and will not apply other measures having equivalent effects. Kazakhstan will notify any changes to these export duties and measures, at least 30 days before the entry into force of the changes.

Quantitative restrictions on exports, or restrictions on the sale for exports, including quotas, bans, permits, prior authorization requirements, licensing requirements, domestic supply requirements, or measures having equivalent effect, will be eliminated and not (re) introduced, whether by Kazakhstan or the competent bodies of the EAEU.

Industrial Subsidies: Kazakhstan will eliminate all its industrial subsidies, including provisions contained in development programmes, or modify them, so that any subsidy provided would not be contingent upon exportation or upon the use of domestic over imported goods.

Subsidies will be notified to the WTO within 120 days after accession, and shall not invoke any of the provisions of Articles 27 and 28 of the WTO Agreement on Subsidies and Countervailing Measures.

Agricultural Policies: Total Aggregate Measurement of Support (AMS) is bound at zero, and the de minimis level is set at 8.5% of the value of Kazakhstan's total agricultural production.

All agricultural export subsidies are bound at zero.

VAT preferences applied to certain domestic agricultural producers and processors will be eliminated by 1 January 2018.

Kazakhstan will participate "fully" in the Doha Round negotiations on agriculture, taking account of its terms of accession.

Technical barriers to trade (product standards and certification): all technical regulations will be developed and applied, in Kazakhstan and the EAEU, in accordance with the TBT Agreement.

Kazakhstan will use relevant international standards for development of technical regulations, unless they are ineffective or inappropriate means to fulfill legitimate objectives.

Kazakhstan will accept the results of conformity assessment procedures done by other WTO Members, including through its membership in the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF); such acceptance will be applied throughout the EAEU.

For products subject to mandatory certification, the conformity assessment procedure provided for in the EAEU legal instruments will not be more strict (or be applied more strictly) than necessary to give Kazakhstan adequate confidence that products conform to the technical regulations/standards.

Sanitary and phytosanitary (SPS) measures: All SPS measures, developed and applied in Kazakhstan, whether by Kazakhstan or the competent bodies of the EAEU, will comply with the SPS Agreement, including, particularly, the provisions on non-discrimination. Kazakhstan will not introduce additional SPS requirements for imported products that exceed those already established.

All SPS measures, whether adopted by Kazakhstan or the competent bodies of the EAEU, will be harmonized with international standards or based on risk assessment and sound science, in accordance with Article 5 of the SPS Agreement. On measures more stringent than international standards, Kazakhstan will consult with exporting Members, bilaterally, and, if necessary, modify the requirements.

Kazakhstan negotiated mutually agreed, bilateral veterinary certificate(s) for goods which may only circulate in the territory of Kazakhstan until the EAEU veterinary certificates, compatible with international standards, enter into force. Kazakhstan will consult with Members on the SPS requirements in the bilateral certificates. For bovine spongiform encephalopathy (BSE), specifically, the certificates, both Kazakhstan's and those of the EAEU, will conform to OIE standards.

Kazakhstan will be bound to implement specific Codex Alimentarius Guidelines.

On listing/delisting establishments eligible for exporting to its territory, Kazakhstan shall provide 3 possibilities for establishments to become eligible to export (audit, guarantees and inspection). For certain products, the circulation of which may be limited only to the territory of Kazakhstan, a successful audit will not be required. Removal of an establishment from the registry will be at the request of the establishment or the competent authority of the third country. The EAEU will be able to temporarily suspend imports from an establishment based on repeated non-compliance with its requirements. In emergency situations, decisions and procedures for the suspension of establishments will be in accordance with the SPS Agreement.

The list of goods subject to veterinary control or the forms of veterinary control will be modified in compliance with the SPS Agreement.

Import permits may only be refused on grounds recognized by the World Organisation for Animal Health (OIE).

Maximum Residue Limits (MRLs) on veterinary drugs and maximum levels of nitrates will correspond to international standards and applied in conformity with the SPS Agreement. In particular MRLs for tetracycline will correspond to Codex Alimentarius standards.

Kazakhstan will accept equivalent SPS measures of other Members. Procedures for recognition/determination of equivalence, whether applied by Kazakhstan or competent bodies of the EAEU, will be based on international standards. Guidelines on inspection will reflect the principles of equivalence and reliance on international standards.

Measures related to the transit of goods subject to veterinary control through the territory of Kazakhstan will comply with the OIE Code and the SPS Agreement.

Trade-Related Investment Measures (TRIMs): All TRIMs-related laws, regulations and other measures shall be consistent with the WTO provisions, upon accession.

Existing WTO-inconsistent measures, including local content provisions applied in the existing investment contracts in the oil and gas sector and preferential tariffs or tariff exemptions applied in the existing industrial assembly agreements in the automotive sector, shall be eliminated by 1 January 2021 and 1 July 2018, respectively.

Free Zones and Special Economic Zones (SEZs): The WTO Agreement will apply to Kazakhstan's SEZs and free warehouses, upon accession, except those goods of firms registered in SEZs or operating free warehouses prior to 1 January 2012, whose exemptions from customs duties and export duties, will end on 1 January 2017. After the expiration of this transitional period, firms registered in and operating in SEZs and/or free warehouses would not be subject to WTO-inconsistent requirements for export performance, trade balancing or local content requirements, either in law or in practice.

When non-EAEU goods are imported to the SEZs without paying customs duties and taxes, but subsequently released to the territory of Kazakhstan and the EAEU, they will be subject to those duties and taxes. If those imports are re-processed, i.e. substantially transformed, within a SEZ/free warehouse, the duties and taxes will be paid when the final products enter the territory of Kazakhstan and the EAEU.

Transit: Transit-related laws, regulations and other measures governing transit of goods (including energy) will be applied pursuant to Article V of the GATT 1994.

Kazakhstan will provide to Members, upon request, information on the revenue collected from customs fees and charges and on the costs of providing the associated services.

Government Procurement Agreement (GPA): Upon accession, the procurement of goods and services, including by state-owned/controlled enterprises, will be conducted in a WTO-consistent, transparent manner.

Kazakhstan will begin negotiations for GPA membership within four years of its accession to the WTO.

Trade-Related Intellectual Property Rights (TRIPS): Kazakhstan will fully implement the TRIPS Agreement as of the date of accession. Thresholds for application of criminal procedures and penalties with regard to cases of willful trademark counterfeiting / copyright piracy on a commercial scale will be set and applied in a manner reflecting the commercial market place in Kazakhstan, including with regard to the Internet market.

Transparency: all laws, regulations, decrees, decisions and administrative rulings, in respect of trade in goods, services and intellectual property rights, whether adopted or issued by Kazakhstan or the competent bodies of the EAEU, will be published promptly, as required by WTO rules.

A reasonable period of time, of no less than 30 days, for Members to comment on draft laws, regulations, decrees, decisions and administrative rulings, before their adoption.

No law, regulation, decree, decision or administrative rulings, whether by Kazakhstan or the competent bodies of the EAEU, will become effective prior to publication.

Kazakhstan will submit its initial notifications within 90-120 days after accession, and subsequent notification obligations as required by the WTO Agreements.

Kazakhstan will provide annual reports to WTO Members on developments in its privatization programme, as long as it would be in existence.

Lists of goods and services subject to price controls will be published in the Official Journal from the date of accession.

Laws and regulations on the application of charges and customs fees imposed in connection with transit will be duly published.

Kazakhstan will send notifications and copies of its Free Trade Agreements (FTAs) to the Committee on Regional Trading Agreements.

Kazakhstan will notify draft SPS measures to the WTO Committee on Sanitary and Phytosanitary Measures, including EAEU SPS measures. Information on all proposed SPS measures, and those in effect, can be obtained from the SPS notification authority or the SPS enquiry point.

Next steps

Kazakhstan's Accession Package will be forwarded to the General Council for formal adoption by all 161 WTO members.

The final step before Kazakhstan becomes a WTO member would be the ratification of the Accession Package by Kazakhstan's Parliament by 31 October 2015.

Kazakhstan will become a full-fledged member 30 days after it notifies the WTO of the ratification.

Learn how to become a member of the WTO.

Key Facts

Application received: 29 January 1996

Chief negotiator: Mrs Zhanar Aitzhanova, Minister for Economic Integration of Kazakhstan

Last member to join the WTO: Seychelles

Working party

Chairperson: H.E. Mr Vesa Himanen (Finland)

Members (52): Argentina; Armenia ; Australia; Brazil; Canada; China; Colombia; Cuba; Dominican Republic; Ecuador; Egypt; El Salvador; European Union; Georgia; Guatemala; Honduras; Hong Kong, China; India; Indonesia; Israel; Jamaica; Japan; Korea, Republic of; Kuwait, the State of; Kyrgyz Republic; Malaysia; Mexico; Moldova, Republic of; Mongolia; Nepal; New Zealand; Nigeria; Norway; Oman; Pakistan; Panama; Paraguay; Russian Federation; Saudi Arabia, Kingdom of; Singapore; Solomon Islands; Sri Lanka; Switzerland; Chinese Taipei; Tajikistan; Thailand; Turkey; Ukraine; United States of America; Uruguay; Viet Nam and Yemen.

Established: 6 February 1996

Meetings: twenty