

APPROVED

by the Protocol Resolution of the meeting of the Council on attracting investors and improving the investment climate in the Kostanay region

**The procedure for selecting investment projects
to be implemented on the territory of the Industrial Zone in Kostanay**

1. General Provisions

1. The present Procedure for selecting investment projects to be implemented on the territory of the Industrial Zone in the city of Kostanay (hereinafter – the Procedure) determines the process for selecting investment projects to be implemented on the territory of the Industrial Zone in the city of Kostanay.

**2. Criteria for selecting investment projects to be implemented
on the territory of the Industrial Zone of Kostanay.**

2. When considering investment projects to be implemented on the territory of the Industrial Zone in Kostanay (hereinafter - IZ), the members of the Council for attracting investors and improving the investment climate in the Kostanay region (hereinafter – the Council) are guided by the following criteria:

- 1) sectoral orientation in accordance with the State Program of Industrial and Innovative Development of the Republic of Kazakhstan for 2015-2019, approved by the Decree of the President of the Republic of Kazakhstan No. 874 of August 1, 2014. Decree No. 13 of the Government of the Republic of Kazakhstan of January 14, 2016 “On Certain Issues of Implementing State Support for Investments”;
- 2) imports phase-out – import substitution at the regional level with goods produced within the industrial zone
- 3) the area of the provided land plot is not less than 1 hectare;
- 4) creation of new jobs – at least 20 jobs;
- 5) the volume of own and attracted investments in the project is at least 200.0 million tenge.

3. The procedure for selecting investment projects to be implemented on the territory of the Industrial Zone in Kostanay

3. The “Social and entrepreneurial corporation “Tobol” Joint-Stock Company (hereinafter – SEC “Tobol”):

- 1) carries out the publication of announcements about the beginning of the selection of investment projects for the implementation on the territory of the IZ;
- 2) works on attracting potential participants of the IZ;
- 3) provides consultations on the terms of placement of investment projects in the IZ territory;
- 4) accepts applications for participation in the selection of investment projects for implementation in the IZ;
- 5) verifies the completeness of the documents provided by the applicant and return them to the applicant in case of non-compliance with the list specified in clause 4 of this Procedure.

4. The applicant submits to the SEC “Tobol” the following documents on electronic and / or hard copy:

- 1) an application in the form according to Appendix 1 to this Procedure;
- 2) a copy of the certificate (reference) on state registration (re-registration);
- 3) the passport of the investment project in the form according to Appendix 2 to this Procedure;
- 4) information on the applicant in accordance with Appendix 3 to this Procedure;
- 5) planned parameters of engineering and technical support of the investment project in accordance with Appendix 4 to this Procedure;
- 6) the roadmap approved by the applicant for the implementation of the investment project in accordance with Appendix 5 to this Procedure;
- 7) a report on the results of the financial and economic activities of the applicant for the last three years;
- 8) information on the project in the form according to Appendix 6 to this Procedure;

5. In case of return of documents, the applicant has the right to apply again after eliminating the inconsistencies.

6. In the absence of comments, the SEC “Tobol” prepares a conclusion within 10 working days for compliance (non-compliance) with the selection criteria provided for in this Procedure, the priority of the project for placement in the IZ, and sends this conclusion to “Enterprise and Industrial Innovative Development Department of Akimat of Kostanay” Public Institution (hereinafter – UPiIR) for inclusion in the list of investment projects for consideration at the meeting of the Council.

7. UPiIR creates a pool of investment projects for consideration at the meeting of the Council and notifies the applicants about the date of the meeting, on the agenda of which the issue on the consideration of the investment project was submitted, no later than 3 working days before the date of the meeting.
8. UPiIR invites to the meeting of the Council, as experts, representatives of state bodies and organizations that possess the necessary professional knowledge and qualifications in accordance with the specifics of the projects under consideration.
9. The applicant has the right to submit additional materials to the Council and invite experts to speak during the meeting.
10. The decision of the Council is formalized by the protocol, which serves as the basis for including the investment project in the list of investment projects planned for implementation on the IZ territory.
11. Within 10 working days from the moment of signing the protocol, UPiIR sends to the Applicant an extract from the protocol certified by the secretary of the meeting of the Council.
12. After determining the list of investment projects for implementation on the IZ territory, within 30 working days the Akimat of Kostanay develops a planned scheme for locating production facilities in the IZ territory.

4. Terms of land use by the participants of the Industrial Zone in Kostanay

13. Within a period established by the legislation, the Akimat of Kostanay concludes contracts for the lease of land plots with the participants of the IZ (hereinafter – the Participants) for the period of construction in accordance with the developed scheme for locating production facilities in the IZ territory.
14. The participants have the right to build the necessary infrastructure facilities on the territory of the land plot transferred to them for temporary compensated land use (rent) at the expense of their own or borrowed funds in accordance with the current legislation.
15. After the participant receives the act of commissioning the investment project, the leased land plot can be purchased by the participant in accordance with the land legislation.

5. Monitoring of the implementation of investment projects on the territory of the Industrial Zone in Kostanay

16. Monitoring of the schedule of construction of buildings and facilities necessary for the investment project implemented in the IZ territory and the activities of the IZ participant after commissioning is carried out by the SEC “Tobol”.
17. Quarterly the Participant submits a report to the SEC “Tobol” on the progress of the project.
18. Quarterly the SEC “Tobol” generates information on the implementation of each investment project.
19. In order to monitor and evaluate the activities of the participants, in accordance with the schedule for the implementation of the investment project, UPiIR invites the IZ participants to the meeting of the Council as necessary.

Appendix 1
to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay

To the Chairman
of the Council on attracting investors and
improving the investment climate in the
Kostanay region

(Full name)

Application

for participation in selecting investment projects to be implemented on the territory of
the Industrial Zone in Kostanay

Please accept the project application: _____
(name of the project)

(name of the company)

for participation in selecting investment projects to be implemented on the territory of
the Industrial Zone in Kostanay.

The required land plot area, ha: _____

The volume of own / attracted investments in the project, mln. tg. _____

Project branch: _____

The application shall be accompanied by the following documents:

Chief Executive Officer: _____

Signature: _____

Place Stamp Here

Date of completion “ ____ ” _____ 20__

A copy of this application is issued to the applicant

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to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay

“APPROVED BY”

 (Full name)

 (the applicant’s position)

“ ____ ” _____ 20__

Passport of the investment project

No.	Parameter name	Unit of measurement	Value
1	Name of the project _____		
2	Type of the project		
	1) New project		
	2) Extension of the current production		
3	Objective of the project _____		
4	Required plot area	Ha	
5	Implementation period	month, year – month, year	
	1) Planning (the implementation period starts from the pre-investment stage - the signing of the contract for the development of the DED)	month, year	
6	Beginning of construction (obtaining a building permit, signing a contract for construction and installation work)	month, year	
7	End of construction (state act on commissioning)	month, year	
8	The total cost of the project	mln. tenge	
9	Main goods and services produced (name)		
	1) Product Type Stage 1		
	2) Product Type Stage 2		

...	Product Type Stage ...		
10	Design capacity per year	units	
11	Structure of financing		
1)	Own funds, including:	mln. tenge	
2)	Borrowed funds (including leasing)	mln. tenge	
3)	Budgetary funds, including:	mln. tenge	
4)	Partner funds		
12	Sales market: _____		
13	Current state of preparation and implementation of the project : _____		
14	Manufacturing industry	yes/no	

**Appendix 3
to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay**

“Approved by”

(Full name)

(the applicant’s position)

“ ____ ” _____ 20__

Information about the applicant of the investment project

1	Full name of the legal entity
2	Legal address
3	Actual address
4	Phone / fax / e-mail
5	BIN
6	Number and date of the certificate of registration (re-registration) of the legal entity
7	The contact person

Appendix 4
to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay

“Approved by”

 (Full name)

 (the applicant’s position)

“ ____ ” _____ 20__

Planned parameters of engineering and technical support
of the investment project

No.	Name	Unit of measurement	year				
			20__	20__	20__	20__	20__
1.	Electricity	kW / hour					
2.	Thermal energy	gKal					
3.	Gas	thousand m ³ / per year					
4.	Water	m ³ / per year					
5.	Wastewater	m ³ / per year					

Appendix 5
to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay

“Approved by”

(Full name)

(the applicant’s position)

“ ____ ” _____ 2018

Roadmap for the implementation of the investment project

No.	Name of event	Period of execution
1.		
2.		
3.		
...		

Appendix 6
to the Procedure for selecting investment
projects to be implemented on the territory of
the Industrial Zone in Kostanay

“Approved by”

 (Full name)

 (the applicant’s position)

“ ____ ” _____ 20__

Information on the project “Name of the project”

1. a summary of the project;
2. technological section;
3. commercial section;
4. social and economic impact;
5. financial section.

1. The project summary includes:

- 1) Information on the legal entity:
 - share of foreign participation with indication of the country;
 - share of participation of the quasi-public sector;
- 2) Information on the project:
 - name of the project;
 - objective of the project;
 - nature of the proposed investment project (creation of new ones, expansion and updating of existing production facilities);
 - number of jobs created (temporary and permanent);
 - nomenclature of let out production on the classifier of production by kinds of economic activities (Common Classifier of Economic Activity of the Republic of Kazakhstan - OKED RK, TRIEC).

2. The technological section includes:

- 1) description of the technology of the investment project indicating the purchased and used fixed assets, as well as imported raw materials and materials in the technological process;
- 2) application of modern technologies in the investment project;
- 3) comparative analysis of imported raw materials and materials on technical and cost characteristics.

3. The commercial section includes:

- 1) supply of raw materials, materials and equipment:
 - list of types of raw materials and materials used;
 - the average rate of expenditure of imported raw materials and materials for the production of a unit of finished goods produced on equipment within the framework of the investment project, indicating the name and volume of raw materials and materials used (to be filled when exempting from customs duties when importing this raw material and materials, from the payment of value added tax for the import of raw materials and (or) materials);
 - list of necessary technological equipment;
 - novelty of technological equipment (date of production and model of equipment);
 - suppliers of process equipment and raw materials with indication of the existence of contractual relations with a legal entity that has applied for investment preferences;
- 2) marketing:
 - the sale of products - indicating in which regions, to which consumers, in which countries abroad you are expected to supply, whether there are similar, interchangeable or complementary goods on the market.

4. Social and economic impacts include:

- 1) direct participants of the investment project:
 - project developer, general contractor, contractor, subcontractor or performer of architectural, urban planning and construction services (including survey and design activities, engineering services), equipment supplier, raw material supplier, intermediaries;
- 2) the project's need for labor resources (number)
- 3) the need for workers after putting production into operation.
- 4) the expected social effect in the implementation of the investment project.

5. The financial section includes:

- 1) the cost of implementing an investment project, sources of financing:
 - own funds;
 - borrowed funds (loans or borrowed funds of economic entities) and / or grant;
 - budget resources;
- 2) financial analysis:
 - financial model of the project, including the calculation of models without taking into account investment preferences and taking into account the corresponding investment preferences;
 - Net Present Value (NPV) for the life cycle of the project;
 - Internal Rate of Return (IRR) for the life cycle of the project;
 - payback period of the project (simple and discounted);
 - a simple rate of return (profitability);

6. Extra:

Information about the project must be numbered, certified by the signature of the first manager and the seal of the legal entity (if any).