

## On January 1, 2022, Amendments and Additions to PPP Law are Introduced in Accordance with

The Law of the Republic of Kazakhstan “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Public Procurement, Procurement of Subsoil Users and Subjects of Natural Monopolies, Communications, Automobile Transport and Science Financing “

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# Amendments to PPP Law

## TRANSFER PAYMENT OF COMPENSATION INVESTMENT COSTS:

- The previous version of paragraph 4 of the Article 9 of the PPP Law prohibited transfer of the payment of compensation of investment costs under PPP agreement to earlier periods.
- The new version of paragraph 4 of the Article 9 of the PPP Law allows transfer of the payment of compensation of investment costs to earlier periods in case of early commissioning of a PPP facility without reducing the total payment period with maintaining the uniformity of compensation of investment costs.

## QUALIFICATION REQUIREMENTS:

### *Own funds:*

- The previous version of paragraph 1 of the Article 32 of the PPP Law provided that in order to participate in a tender (auction) or direct negotiations a potential private partner had to have **its own funds**, amounting to at least 20% of the value of a PPP facility.
- The new version of paragraph 1 of the Article 32 of the PPP Law allows a potential private partner to have **its own funds or own and borrowed funds**, amounting to at least 20% of the value of a PPP facility.

### *Qualification requirements for a newly established legal entity:*

- Article 32 of PPP Law introduces a new paragraph on **special qualification requirements** for a potential private partner which is a legal entity newly established for the implementation of a PPP project.

## CHANGE OF MATERIAL TERMS OF PPP AGREEMENT

- Paragraph 1-1 of Article 46 has been revised. The previous version of the paragraph contained mandatory conditions that should be met in order to be able to amend material terms of a PPP agreement by mutual consent of the parties.
- According to the amended version of the paragraph, parties are able to amend the material terms of a PPP agreement by mutual consent without complying with such conditions in case when a PPP agreement stipulated such changes at the time of its conclusion.