2026 Kazakhstan Investment Climate Statement

Executive Summary

Kazakhstan has made significant progress toward creating a market economy since gaining independence from the Soviet Union in 1991. It has attracted substantial foreign investment to develop its abundant mineral and petroleum resources. As of January 1, 2026, the stock of foreign direct investment (FDI) totaled $170 billion, including $35.5 billion from the United States, according to official central bank statistics. Publicly available information suggests U.S. investment in the hydrocarbons sector exceeds official FDI statistics, likely because investments are routed through third countries and because reinvested earnings are not fully reflected in the bilateral FDI data. Kazakhstan has made progress toward economic diversification and digitalization. Despite challenges caused by Russia's war against Ukraine and associated sanctions, Kazakhstan's economy has been resilient, largely due to favorable commodity prices. The country's total foreign trade continued to grow in 2025, with China replacing Russia as its top foreign trade partner.

The government actively engages with foreign investors through formal channels, such as the President's Foreign Investors Council (an advisory group to improve Kazakhstan's investment climate), a semi-annual Prime Minister's forum for U.S. companies, and bilateral discussions. Kazakhstan is also a member of the World Trade Organization (WTO) and the Eurasian Economic Union (EAEU). Kazakhstan enacted a new Tax Code in January 2026, which changed taxation for various groups of taxpayers, including non-residents and small businesses, and raised concerns about its enforcement that are still being negotiated with the government.

President Kassym-Jomart Tokayev's economic reform agenda aims to diversify Kazakhstan's economy, spur industrial development, and reduce state participation. However, increasing regulation, localization and import substitution policies, and corruption continue to concern foreign investors. Foreign firms cite the need for better rule of law, more predictable and transparent tax and regulatory systems, deeper investment in human capital, and investment in modern transport and logistics infrastructure.

Section 1. Openness to, and Restrictions upon, Foreign Investment

Policies toward Foreign Direct Investment

Kazakhstan actively welcomes FDI and has taken steps to create a more business-friendly environment. Since gaining independence, the government has attracted significant foreign investment, particularly in the oil and gas sector. As of January 1, 2026, Kazakhstan's total stock of FDI stood at $170 billion, according to the National Bank of Kazakhstan. The United States remains one of Kazakhstan's largest foreign investors, particularly in the hydrocarbons sector. Publicly available information suggests U.S. investments in the hydrocarbons sector alone far exceed these FDI figures, likely due to investments flowing through other foreign jurisdictions.

Kazakhstan adheres to the OECD Declaration on International Investment and Multinational Enterprises, demonstrating a commitment to internationally recognized investment standards.

The government maintains several channels for dialogue with foreign investors. In addition to the Foreign Investors' Council chaired by the President and the Council for Improving the Investment Climate co-chaired by the Prime Minister and AmCham Kazakhstan, the Prime Minister established the Investment Command Center in 2021. The First Deputy Prime Minister heads the center and reports directly to the President. Also in 2025, the President established the Committee for the Protection of Investors' Rights under the Prosecutor General's Office.

The Ministry of Foreign Affairs Investment Committee and the state-owned company Kazakh Invest handle investment cooperation issues and investor support. Both entities offer services to liaise with local and national governments and foreign investors to smooth the investment process. The Ministry of National Economy serves as the lead government agency that defines and coordinates state policy for attracting investments.

Each regional government has designated representatives to facilitate foreign investment, and each region has its own branch of Kazakh Invest.

Limits on Foreign Control and Right to Private Ownership and Establishment

By law, foreign and domestic private firms may establish and own business enterprises. While no sectors are completely closed to foreign investors, restrictions on foreign ownership exist, including a 20 percent ceiling on foreign ownership of media outlets and a 49 percent limit on domestic and international air transportation services.

Kazakhstan formally removed a 49 percent limit on foreign ownership of telecom companies in 2016, except for the country's main telecom operator Kazakhtelecom, but foreign investors must still obtain a government waiver to own a majority of other telecom companies. There are no constraints on the participation of foreign capital in the banking and insurance sectors. However, Kazakhstan's laws limit the participation of offshore companies in banks, insurance companies, and investment funds. Kazakhstan prohibits foreign ownership of pension funds and agricultural land. Foreign citizens and companies are restricted from participating as owners in private security businesses. December 2025 amendments to the Subsoil Use Code increased the share of the national atomic company, Kazatomprom, from 50 to 75 percent in new uranium mining projects and to 90 percent in new uranium exploration projects. These amendments entitle the national oil company, KazMunayGas, and the national gas company, QazaqGaz, to at least 50 percent in new subsoil use contracts in underdeveloped areas.

Kazakhstan does not have an investment screening system or legislation specifically focused on the national security implications of FDI. Kazakhstan's central bank (the National Bank of Kazakhstan) collects standard statistics on FDI and other forms of investments, but mostly for macroeconomic purposes.

Although the country's legal framework theoretically treats foreign and domestic investors equally, foreign businesses frequently face practical challenges. Foreign companies report that government contracts and procurement processes often favor domestic firms (see Section 4). Also, foreign companies sometimes experience difficulties with licensing, taxation, and legal disputes due to bureaucratic hurdles and inconsistent regulatory enforcement. For large investments or sectors the government considers critical, there may also be de facto limits on foreign ownership and control or additional government oversight of the transaction.

Business Facilitation

Kazakhstan has simplified procedures for starting and operating businesses. However, foreigners must follow certain procedures to register their business. Non-residents must have a business immigrant visa and submit electronic copies of their IDs, as well as any certification of their companies from their country of origin. Documents must be translated and notarized.

After these steps, a foreign citizen must select a legal form for the business in order to register the enterprise and to open a bank account. Investors may learn more about these services on the Kazakh Invest website and on the government's online portal. A foreign-owned company registered in Kazakhstan is considered a domestic company for purposes of currency regulation. Residents may open bank accounts in foreign currency in Kazakhstan's banks. Kazakhstan supports the WTO Investment Facilitation for Development Agreement.

For tourist purposes, Kazakhstan has 30-day visa-free travel for citizens of 54 countries, including:

- The United States
- United Kingdom
- Germany and
- Japan

The Astana International Financial Center (AIFC) offers legal arrangements not normally available under Kazakhstan law, including trusts. AIFC residents have access to simplified procedures for obtaining investor visas.

Section 2. Investment and Taxation Treaties

The United States-Kazakhstan Bilateral Investment Treaty came into force in 1994, and the United States-Kazakhstan Treaty on the Avoidance of Double Taxation entered into force in 1996. Kazakhstan has signed bilateral investment protection agreements with 48 countries.

Kazakhstan is a signatory to the Free Trade Agreement with the Commonwealth of Independent States (CIS) countries and is a member of the EAEU. It is also a party to free trade

agreements between the EAEU and Iran, Vietnam, and Serbia. The EAEU has also signed, but not yet ratified, agreements with Mongolia (an interim trade agreement), Singapore (a free trade agreement), Indonesia (a free trade agreement), and the United Arab Emirates (an economic partnership agreement). Kazakhstan is a party to the EAEU Mutual Investment Protection Agreement, which came into force in 2016 (see Section 3 for more on the EAEU).

Section 3. Legal Regime

Transparency of the Regulatory System

National legislation is enacted by the Parliament and President. The government, ministries, and local executive administrations issue regulations and executive acts in compliance with national laws. Publicly listed companies adhere to international financial reporting standards, but accounting and valuation practices are not always consistent with international best practices.

All laws and decrees of the President and government are available in Kazakh and Russian on the Ministry of Justice website. The government consults with experts and the business community on some draft legislation. Draft bills are available for public comment on the Open Government section of this website. The public comment process is overregulated; publication occurs without broad notifications, and those who want to participate must register in advance.

In December 2025, the government enacted changes to the legislation allowing citizens and companies to contest regulations issued by government organizations. This change enables citizens and companies to challenge regulations affecting their rights. The government reported that the first case of challenging a regulation was resolved in favor of the claimant.

Implementation and interpretation of commercial legislation sometimes create confusion. Decrees and legislative changes frequently do not provide grandfather clauses for existing investments. Penalties are often assessed for periods prior to the change in policy. Public financial reporting, including debt obligations, is published by the National Bank of Kazakhstan and by the Ministry of Finance.

International Regulatory Considerations

Kazakhstan is a founding member of the EAEU, created in 2014, along with:

- Armenia
- Belarus
- The Kyrgyz Republic and
- Russia

The EAEU aims to further integrate the economies of its member states and provide for the free movement of services, capital, and labor within their common territory. EAEU regulations and decisions supersede national regulatory systems. The government asserts that EAEU agreements comply with WTO standards. However, since joining the customs union, Kazakhstan has doubled its simple average applied Most-Favored-Nation (MFN) tariff and introduced annual tariff-rate quotas on poultry, beef, and pork. Per its WTO commitments, as noted in the 2024 WTO Trade Policy review, Kazakhstan lowered approximately 3,800 tariff lines by the end of 2020. As a result, Kazakhstan's MFN tariff decreased from 7.6 percent in 2016 to 4.1 percent in 2025. After the lock-in period for these lower rates expired on May 31, 2024, the country prepared for negotiations with WTO and EAEU partners to adjust import tariffs to the EAEU common external tariff level.

Kazakhstan generally notifies the WTO Committee on Technical Barriers to Trade about drafts of national technical regulations, although there are occasional lapses. Kazakhstan ratified the WTO Trade Facilitation Agreement (TFA) and completed its TFA commitments in 2018.

Legal System and Judicial Independence

In March 2026, Kazakhstan voted for a new constitution, which guarantees fundamental human rights, including the right to private property. After the new constitution came into effect on July 1, 2026, Kazakhstan is reviewing its legislation, including six constitutional laws. The new constitution gives the President powers to appoint:

- Constitutional court judges

- Supreme court judges
- The Speaker of the Parliament and
- Other key officials

If Parliament rejects the President's picks twice, the President can dissolve Parliament and rule by decree.

The Civil Code establishes commercial and contract law principles. The judicial system is officially independent of the executive branch, although the executive interferes in judiciary matters. Freedom House's 2024 Nations in Transit report gave Kazakhstan a very low score (1.25 out of seven) in the Judicial Framework and Independence category, implying that the executive branch effectively dominates the judicial branch. Allegations of pervasive corruption and undue influence from the ruling elite result in low public expectations and trust in the justice system.

The country's leadership recognizes the lack of judicial independence. In March 2023, the President enacted a law on reforming the judicial system that introduced a new mechanism for electing the chairmen of district courts and strengthened guarantees for the immunity of judges. In July 2025, the President created cassation courts on criminal, civil, and administrative cases in Astana. Independent cassation courts are expected to ensure:

- Legality
- Independent review of court rulings
- Modernization of the justice system and
- A lower burden on the Supreme Court

Parties to commercial contracts, including foreign investors, can seek dispute settlement in Kazakhstan's courts or international arbitration, and courts nominally enforce arbitration clauses in contracts.

The Astana International Financial Center (AIFC), an investment center seeking to model itself after the Dubai International Financial Center, offers foreign investors an alternative jurisdiction

for operations. It has its own arbitration center and court based on British Common Law and is independent of the judiciary. The government encourages foreign investors to use the capacities of the AIFC arbitration center and the AIFC court more actively. The number of cases completed by the AIFC Court and International Arbitration Centre increased from five in 2019 to 1,284 in 2025, totaling 4,696 cases with a claimed total value of $2.6 billion since 2019.

Laws and Regulations on Foreign Direct Investment

Laws provide for non-expropriation, currency convertibility, guarantees of legal stability, transparent government procurement, and incentives for priority sectors.

The Entrepreneurial Code outlines basic principles of doing business, the government's relations with entrepreneurs, and codifies non-discrimination for foreign investors. The code contains incentives and preferences for government-determined priority sectors.

A new Tax Code enacted in 2026 revised several tax rates. The VAT rate was raised from 12 to 16 percent, with exceptions for medicines and medical services, which are subject to reduced rates of 5 and 10 percent, respectively. The corporate income tax rate now varies by sector, with a maximum rate of 25 percent for the banking sector and reduced rates of 5 and 10 percent for agriculture and the health care industry. The new Tax Code also:

- Changed taxation of the subsoil use sector
- Expanded the definition of royalties
- Revised the taxation of non-residents and
- Introduced taxation of dividends

Many of these changes – primarily those related to royalties, international taxation, and the cancellation of tax deductions for contracts with individual entrepreneurs – have raised concerns in the business community and are still being negotiated or clarified with the government. A law on Currency Regulation and Currency Control expands the statistical monitoring of transactions in foreign currency and facilitated the process of de-dollarization. The law treats branches of foreign companies in Kazakhstan as residents and enables the National Bank of Kazakhstan (NBK) to enhance control over cross-border transactions.

Competition and Antitrust Laws

The Entrepreneurial Code regulates competition-related issues such as cartel agreements and unfair competition. The Agency for Protection and Development of Competition (APDC) is responsible for reviewing transactions for competition-related concerns. In May 2024, the President signed a decree on measures for the liberalization of the economy, listing steps to reduce state participation in the economy, bolster competition, make government procurement more transparent, and limit the operation of state-owned companies to areas related only to the prerogatives of the state.

The decree also expanded APDC's role in the privatization process, which now has a specially designated National Privatization Office. The APDC regularly publishes its annual reports and shares market analyses and investigation results.

Expropriation and Compensation

The bilateral investment treaty between the United States and Kazakhstan requires the government to provide compensation in the event of expropriation. The Entrepreneurial Code allows the state to nationalize property in emergency cases but fails to provide clear criteria for expropriation or to require prompt and adequate compensation at fair market value.

The Embassy is aware of cases where owners of flourishing and developed businesses claim they were forced to sell their businesses to companies affiliated with high-ranking and powerful individuals. In 2021, the government amended the Criminal Code and enhanced punishment for this activity, called raiding, by increasing the possible sentence to five to eight years.

The government did not introduce confiscatory tax regimes or regulatory actions against investors. However, when individuals are indicted for embezzlement or money laundering, the government seizes their assets through court rulings. Under an ongoing campaign on return of ill-gotten assets, some oligarchs returned assets to the state in the form of a donation or committed to make certain investments in Kazakhstan's economy.

One hydrocarbon company claimed expropriation in 2010. The case went to international arbitration, and the dispute was settled in July 2024.

Dispute Settlement

ICSID Convention and New York Convention

Kazakhstan is a party to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID Convention) and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention). ICSID awards and foreign arbitral awards are generally recognized and enforceable in Kazakhstan in accordance with those conventions and domestic law, although some investors have reported challenges enforcing arbitral awards.

Investor-State Dispute Settlement

Bilateral investment agreements recognize international arbitration of investment disputes. The Entrepreneurial Code states that investment disputes may be settled in accordance with negotiation, litigation, or arbitration.

Kazakhstan is legally obligated to recognize arbitral awards yet does not always do so. In July 2025, the Ministry of Justice reported 21 pending arbitration proceedings, including 13 in international arbitration courts, six in foreign courts, and two at the pretrial stage. The government is a respondent to four pending cases in the ICSID initiated by foreign claimants and a claimant against international consortia in two pending cases in international arbitration. Several investment disputes involving foreign companies have arisen in the past several years linked to alleged violations of environmental regulations, tax laws, transfer pricing laws, and investment clauses.

Enforcing court judgments is challenging; there is ample opportunity for influencing judicial outcomes given the relative lack of judicial independence.

The government has developed a dispute resolution mechanism aimed at enabling aggrieved investors to seek redress without requiring them to litigate their claims. However, investors who have entered settlement discussions in good faith report that on at least one occasion the government pursued criminal litigation just as the parties were closing in on a deal and after the investors devoted significant time and resources toward achieving a settlement.

International Commercial Arbitration and Foreign Courts

The Law on Mediation offers alternative (non-litigated) dispute resolutions and defines the rules and principles of domestic arbitration. Kazakhstan has 19 local arbitration bodies unified under the Arbitration Chamber and 14 additional unaffiliated arbitration bodies.

The Law on Arbitration modernized Kazakhstan's arbitration framework and aligned it more closely with international standards, including the following:

- UNCITRAL Model Law
- New York Convention and
- European Convention on International Commercial Arbitration

Judgments of other foreign state courts are recognized and enforceable by local courts when there is a bilateral agreement on mutual judicial assistance with the respective country or the principle of reciprocity applies.

The AIFC's International Arbitration Center (IAC) is not regulated by the Law on Arbitration.

When SOEs are involved in investment disputes, domestic courts usually rule in the SOE's favor.

Bankruptcy/Insolvency Regulations

Kazakhstan's bankruptcy law protects the rights of creditors during insolvency proceedings. Bankruptcy is not criminalized, unless the court determines the bankruptcy was premeditated, or rehabilitation measures were wrongful. The law introduces a time limit for adopting rehabilitation or reorganization plans, gives creditors a greater say in continuing operations, and adds court supervision requirements.

In 2023, Kazakhstan enacted new legislation introducing individual bankruptcy in response to increasing numbers of insolvent debtors from vulnerable populations.

Section 4. Industrial Policies

Investment Incentives

The country has a multilayered system of investment incentives based on different types of investment contracts. The Entrepreneurial Code, the Tax Code, and other laws outline this system, which is determined by government decisions and selected priority sectors. Each type of contract provides a specific set of investment and tax preferences, including:

- Tax and customs duty waivers
- In-kind grants
- Investment credits and
- Simplified work permits for foreign staff

For example, the Investment Committee of the Ministry of Foreign Affairs and Kazakh Invest prepare and sign model investment contracts for investment priority projects. In November 2025, the Ministry of Energy reported that Kazakhstan has 14 improved model contracts with national companies, strategic partners, and Kazakh investors.

In addition to model investment contracts, the government uses investment agreements and agreements on investment obligations. Investment agreements provide tax preferences, in-kind grants, and simplified work permits for foreign staff, and can be concluded in any sector of the economy. However, investment agreements—and therefore preferences—are available only to companies registered in Kazakhstan that partner with state or quasi-state enterprises (the required share of government participation depends on the project's industry). Although the government agency overseeing the relevant industry determines the content of the investment agreement, project selection is based on whether the project would:

- Create a new industry
- Modernize an existing industry or
- Support the food, textile, or tourism sector

Agreements on investment obligations are primarily concluded in the mining sector and guarantee a stable tax regime for 25 years. December 2025 amendments to the Subsoil Code officially introduced a unified online platform, which gives access to 22 state services and provides digital facilitation of all business processes from application submission to license issuance. The platform shows available blocks and those booked for exploration.

Foreign Trade Zones/Free Ports/Trade Facilitation

The Law on Special Economic Zones allows companies to establish enterprises in special economic zones (SEZs), simplifies permit procedures for foreign labor, and establishes a special customs zone regime not governed by EAEU rules. Kazakhstan has 15 SEZs.

Performance and Data Localization Requirements

Kazakhstan modified its local content requirements to meet WTO accession standards. Subsoil use contracts concluded after January 1, 2015 no longer contain local content requirements, and requirements in pre-2015 contracts were phased out on January 1, 2021. However, the government has continued its import substitution policy in recent years. The Law on Industrial Policy, enacted in December 2021, expanded support for local industries. It replaced “local content“ provisions with a new concept of “in-country value,“ under which subsoil users and state-owned companies must support local entrepreneurs by signing offtake contracts. Additionally, foreign investors seeking treatment as local producers and eligibility for government stimulus measures must obtain local producer status by being added to the Register of Kazakhstan’s Producers of Goods. One criterion for inclusion is achieving a specified level of in-country value in produced goods, calculated by a special formula.

When negotiating investment contracts and preferences, the government and local authorities may request reciprocal obligations from investors regarding:

- Labor productivity increases
- Export-oriented production growth
- Support for domestic consumer needs
- Job creation and

- Development of engineering and local infrastructure

December 2025 amendments to the Subsoil Use Code introduced requirements for new industrial projects to localize value-added processing capacities. In March 2024, the Ministry of Energy introduced changes to include minimum requirements for in-country value in its online procurements, as well as in the procurement clauses of new contracts for subsoil users. The changes also empowered the ministry to negotiate in-country value minimum requirements to existing subsoil user contracts.

In general, government agencies and quasi-sovereign companies must maintain a specified level of "in-country value" when signing procurement contracts for:

- Construction materials
- Furniture
- Textiles
- Chemical products
- Pharmaceuticals and
- Machinery

The government plans to expand the list of locally produced goods that government agencies must procure, further limiting the national treatment principle. The government introduced significant recycling fees on imported agricultural equipment, including combines and tractors. The government contends that the recycling fee is applied to foreign and domestically produced vehicles, combines, and tractors. However, it subsidizes the recycling fee for domestic producers. Foreign companies consider this coercion to localize production and differential treatment of foreign and domestically produced equipment. The government introduced further reductions in investment subsidies for imported agricultural equipment in 2024. In February 2025, the government allowed subsidies for agricultural equipment imported and purchased before March 2024, but anything imported after that date was no longer eligible for subsidies. Foreign producers viewed this decision as out of compliance with the WTO basic principle of non-discriminatory treatment.

Cross-border transfer of certain non-sensitive personal data is possible under the 'Law on Personal Data and Its Protection' if a local copy is stored in Kazakhstan and if countries receiving the data ensure an adequate level of data protection, as determined by the government. However, the recently adopted Digital Code effectively imposes data localization requirements that, in practice, render such transfers difficult and hinder the use of international cloud services within Kazakhstan's state and quasi-state sector. The National Security Committee and the Ministry of Artificial Intelligence and Digital Development supervise data protection and data storage in Kazakhstan, alongside prosecution authorities, which are responsible for enforcement.

Section 5. Protection of Property Rights

Real Property

Secured interests in property (fixed and non-fixed) are recognized under the Civil Code and the Land Code. Agricultural land and certain other natural resources may only be owned or leased by citizens of Kazakhstan. According to the government, 100 percent of Kazakh land has a clear title. Legally privately owned land totals 64.1 percent of the country's territory. Legally purchased and owned property generally cannot revert to other owners, such as squatters.

In May 2021, President Tokayev signed into law amendments prohibiting the following groups from owning or leasing agricultural land:

- Foreigners
- Persons without citizenship
- Foreign legal entities
- Legal entities with foreign participation
- International organizations
- Scientific centers with foreign participation and
- Repatriated Kazakhs

Kazakhstan is a contracting party to the Convention on International Interests in Mobile Equipment (Cape Town Convention) and the Protocol on Matters Specific to Aircraft Equipment (Aircraft Protocol). U.S. Embassy Astana is not aware of any disputes with Kazakhstan's involvement under the CTC.

Intellectual Property

Kazakhstan is not listed in the United States Trade Representative's (USTR) Special 301 Report. The legal structure for intellectual property rights (IPR) protection is relatively strong, though enforcement needs further improvement. To attract foreign investment, Kazakhstan continues to improve its legal regime for protecting IPR. The Civil Code and various laws establish legal protections for intellectual property. For example, the Civil Code and Entrepreneurial Code provide the protection of trade secrets and outline enforcement options.

Kazakhstan has ratified 18 of the 24 treaties endorsed by the World Intellectual Property Organization (WIPO). In 2024, the government joined the Marrakesh Treaty, and is considering accession to the Lisbon Agreement, Hague Agreement, and International Convention for the Protection of New Varieties of Plants. Kazakhstan's Criminal Code sets out punishments for violations of copyright as well as rights over items covered in the United States under patent law such as inventions or industrial designs.

The law authorizes the government to target internet piracy and shut down websites that unlawfully share copyrighted material, provided that the rights holders had registered their copyrighted material with the IPR Department at the Ministry of Justice. Despite these efforts, the use of pirated software remains high.

Respective legislation describes in detail the procedure for registration of:

- Trademarks
- Patents
- Utility models
- Geographical indications and

- Other intellectual property rights

For example, the law defines that the period of examination and approval of patent applications and trademark registration may vary from one to seven months (for a full examination). Process delays sometimes occur due to additional information demands from applicants.

In 2025, Kazakhstan adopted a law on artificial intelligence (AI) in which AI is recognized as a tool for allowing human beings to complete defined tasks. The law bans the creation and exploitation of AI systems that can use subconscious and manipulative methods, or collect and process personal data in violation of personal data legislation. Users of AI have the right to apply measures for protecting their rights to AI objects created with the use of AI systems.

According to government reports, the number of criminal cases involving copyright and trademark violations decreased from 172 in 2015 to two in 2024. In 2025, authorities did not register any criminal cases. Authorities initiated administrative charges against 294 individuals for illegal use of:

- Trademarks
- Service marks
- Geographical indications and
- Designation of origin of goods

IPR violations totaled over $63,000 in fines paid. Law enforcement agencies inspected and confiscated counterfeit goods worth over $334,000 from illegal turnover. Foreign companies also reported inadequate IPR protection. Judges, customs officials, and police officers lack IPR expertise, which exacerbates weak enforcement.

For additional information about national laws and points of contact at local IP offices, see WIPO's country profiles.

Section 6. Financial Sector

Capital Markets and Financial Asset Investment

The government actively seeks to attract financial asset investment. Foreign clients may trade financial assets via local or foreign brokerage companies or after registering at the Kazakhstan Stock Exchange (KASE) or AIFC. Most domestic borrowers obtain credit from banks in Kazakhstan. Although foreign investors often find interest rates and collateral requirements onerous, and it is often cheaper and easier for foreign investors to use retained earnings or borrow from their home country.

KASE currently has 322 listed companies and trades a variety of assets, including:

- Equities and funds
- Corporate bonds
- Sovereign debt
- International development institutions' debt
- Foreign currencies
- Repurchase agreements and
- Derivatives

In November 2021, KASE launched a special KASE Global platform that now trades approximately 64 U.S. securities listed on the NASDAQ and New York Stock Exchange. The AIFC's own stock exchange (AIX) has partnerships with the Shanghai Stock Exchange, NASDAQ, Silk Road Fund, and other entities. The AIX official list includes around 374 securities from 158 issuers.

Kazakhstan is currently developing a Stock Market Development Program 2030 and a new securities bill to modernize its capital market, expand the investor base, and align with international standards. These reforms aim to attract foreign investment, introduce new financial instruments, and enhance transparency and regulatory oversight.

Kazakhstan is bound by Article VIII of the International Monetary Fund's Articles of Agreement which prohibits government restrictions on currency conversions or the repatriation of investment profits. Money transfers associated with foreign investments are unrestricted; however, Kazakhstan's legislation requires foreign investors to present a currency contract to the servicing bank if the transfer exceeds $10,000. Servicing banks are required to notify the NBK of any money transfers over $50,000, and currency sales and purchases in any amount. Since March 14, 2022, it is illegal for travelers to carry cash exceeding $10,000 in value out of Kazakhstan.

Money and Banking System

Kazakhstan has a central bank system led by the NBK and the Agency for Regulation and Development of the Financial Market (ARDFM). ARDFM is the main financial regulator overseeing:

- Banks
- Insurance companies
- The stock market
- Microcredit organizations
- Debt collection agencies and
- Credit bureaus

The NBK performs core central bank functions and manages the country's sovereign wealth fund and pension system assets.

The NBK and ARDFM are committed to the incremental introduction of the Basel III regulatory standard. Kazakhstan allows foreign banks to operate in the country via branches and subsidiaries. Foreigners may open accounts in local banks if they have a local tax registration number. However, the payment card issued for non-residents validity must not exceed 12 months, with exceptions for business entities, diplomats, or investors.

During 2025, two microfinance organizations – KMF and BNK – transformed into commercial banks. As a result, Kazakhstan had 23 commercial banks as of January 1, 2026. The five largest banks are:

- Halyk
- Kaspi
- Bank CenterCredit
- Otbasy and
- Forte Bank

Combined, these banks held assets of approximately $96.9 billion, accounting for 68.8 percent of the total banking sector.

In February and April 2022, the United States and other countries imposed sanctions on a number of Russian financial institutions, including the Kazakhstan subsidiaries of Sberbank, VTB, and Alfa-Bank. Sberbank's and Alfa-Bank's Kazakhstan subsidiaries were subsequently acquired by local and foreign entities, rebranded, and removed from OFAC's SDN list. As of January 1, 2026, VTB Bank Kazakhstan was the only locally licensed SDN-listed financial institution.

The government has undertaken measures to improve stability and prudent asset quality management in the banking sector, including through capital injections, enhanced oversight, and expanded regulatory authorities. The ratio of non-performing loans overdue by more than 90 days to the total loan portfolio was 3.6 percent on January 1, 2026, up from 3.1 percent one year earlier but substantially below 7.4 percent as of January 1, 2019. The number of commercial banks has decreased from 28 in April 2019 to 23 because of mergers and liquidations due to financial struggles.

In January 2026, Kazakhstan adopted a new law on banks and banking activities. The new law modernizes the regulation of banking activities by introducing mechanisms for resolving insolvent banks, strengthening corporate governance, and enhancing competition through proportional regulation. It also stimulates the development of the fintech sector, regulates

digital financial assets – including stablecoins and asset-backed tokens – establishes licensed crypto exchanges, reforms microfinance and debt collection markets with self-regulation, and enables traditional commercial banks to offer Islamic banking services. Additionally, the law allows banks and their subsidiaries to invest in digital technologies and foreign financial companies, introduces basic and universal banking licenses, and creates a unified financial ombudsman office to protect consumer rights.

Foreign Exchange and Remittances

Foreign Exchange

Transfers of currency are protected by Article VIII of the International Monetary Fund (IMF) Articles of Agreement. There are no restrictions or limitations placed on foreign investors in converting, transferring, or repatriating funds associated with an investment. Funds associated with any form of investment may be freely converted into any currency, though local markets may be limited to major international currencies.

Foreign company branches are treated as residents, while non-financial organizations are treated as non-residents based on these organizations' individual agreements with the government. Except for certain exceptions, transactions in foreign currencies between residents are forbidden. Residents and non-residents may conduct foreign currency operations, unless specified otherwise by local foreign currency legislation.

Kazakhstan has a free-floating exchange rate and inflation-targeting monetary regime, although the NBK may intervene in foreign exchange markets to reduce excess volatility. Kazakhstan maintains sufficient international reserves according to the IMF.

Remittance Policies

Local currency legislation permits non-residents to freely receive and transfer dividends, interest and other income on:

- Deposits
- Securities

- Loans and
- Other currency transactions with residents

There are no time limitations on remittances out of Kazakhstan. Residents seeking to transfer property or money to a non-resident or to receive property or money from a non-resident in excess of $500,000 are required to register the contract with the NBK.

Sovereign Wealth Funds

The National Fund of the Republic of Kazakhstan (National Fund) is a hybrid stabilization and savings fund established in August 2000 to support the country's social and economic development, as well as to reduce dependence on the oil sector and external shocks. The National Fund generates assets from taxes and other payments by:

- Oil companies
- Privatization of public property
- Sale of public farmlands and
- Investment income

According to the National Bank of Kazakhstan, as of January 1, 2026, the National Fund's assets were $73.8 billion, or around 24 percent of GDP, including foreign assets of $63.9 billion and securities of Kazakh issuers – $9.5 billion. The government regularly receives transfers from the National Fund to support the state budget, as well as special transfers ordered by the President. According to the National Bank of Kazakhstan, as of the end of 2025, almost 45 percent of the National Fund's assets were invested in securities of the United States.

The foreign currency portion of the National Fund does not have a target structure by economic sector. Assets are distributed across various classes (bonds, stocks, and other instruments) and investment mandates within each class, with corporate bonds and stocks based on broad indices like the ICE BofA Global Corporate & High Yield Index and MSCI World Index, ensuring diversification across economic sectors. Investments in Kazakh securities are made to finance projects of national significance, which must benefit at least two regions or involve nationwide

implementation of similar projects in a specific industry. Since 2025, such projects must align with priority financing areas including:

- Machinery manufacturing
- Metallurgy (with processing)
- Chemical and petrochemical industries
- Technology and innovation sectors and
- Infrastructure in energy, transport, and logistics

The National Investment Corporation (under the National Bank of Kazakhstan) is an investment fund established in 2012 with a savings mandate. It is a member of the International Forum of Sovereign Wealth Funds and adheres to the Santiago Principles. As of the end of 2024, the National Investment Corporation held approximately $85.2 million in assets. The Corporation primarily invests in:

- Large global funds
- Private equity
- Hedge funds
- Real estate and
- Infrastructure

U.S. Embassy Astana does not observe any potential negative ramifications for U.S. investors resulting from the corporation's activity.

Section 7. State-owned Enterprises

According to the National Statistical Bureau, as of January 1, 2026, there were 26,012 state-owned enterprises (SOEs) and 512 enterprises where the state has a stake, ranging from smaller entities such as:

- Small veterinary inspection offices

- Kindergartens and
- Regional hospitals

to large enterprises such as:

- Airlines
- Mining companies and
- The national oil and gas company

See the Registry of State Property for a full list of SOEs.

In May 2024, President Tokayev ordered the government to carry out a large-scale and accelerated reduction of the public sector's share in the economy by completing the privatization process and building regulatory conditions that prevent the increase of state-owned enterprises in competitive areas. In particular, the President introduced a moratorium on the establishment of new quasi-sovereign entities until the end of 2026, except where necessary to return illegally acquired assets to the state or on direct instructions from the President. The National Welfare Fund Samruk-Kazyna (SK) is the largest national holding company, managing key SOEs in the following sectors:

- Oil and gas
- Energy
- Mining
- Transportation and
- Communications

In 2024, SK reported $78.5 billion in assets and $7.0 billion in consolidated net profit. In 2024, SK's assets were equivalent to 17.8 percent of GDP, while its gross revenue was equivalent to 12.3 percent of GDP. In 2015, SK developed a new Corporate Governance Code with OECD's assistance. Starting from 2017, SK and its companies must disclose information on compliance with the Corporate Governance Code in their annual reports. SK management decisions are politically influenced. SK's supervisory board consists of four independent directors, SK's CEO,

and the Prime Minister, who chairs the board. SK has special rights to conclude large transactions among members of its holdings without public notification and a pre-emptive right to buy strategic facilities and assets.

Another major SOE is the national holding company Baiterek, which manages development institutions and financial organizations to support entrepreneurship, affordable housing, and food security.

Officially, private enterprises compete with public enterprises under the same terms and conditions. However, in some cases SOEs enjoy better access than private entities to:

- Natural resources
- Credit
- Licenses and
- All types of government support

Privatization Program

The government enacted a new comprehensive privatization program for 2026-2030. As of March 31, 2026, the government has sold 997 out of 2068 organizations subject to privatization for a total net price of $3.3 billion. The government sells small, state-owned, and municipal enterprises through electronic auctions. Foreign investors may participate in privatization projects. However, the process is lengthy and may present challenges for foreign companies. In some cases, the government allowed sales of stock of SOEs, including via IPOs and SPOs, which are equally open to foreign and domestic investors.

A newly established National Privatization Office (see Section 3) has identified 473 public entities from various sectors that will be included in the government's comprehensive privatization program starting from 2026.

Section 8. Corruption

Laws to combat corruption by public officials include the:

- Criminal Code:
    - Article 361 (abuse of official authority)
    - Article 362 (excess of authority)
    - Article 364 (illegal participation in entrepreneurial activity)
    - Article 366 (acceptance of a bribe by a public official)
    - Article 367 (giving a bribe)
    - Article 368 (mediation in bribery) of the Criminal Code and
    - Article 369 (official forgery)
- Administrative Code: Articles 676 to 681 (corruption-related administrative violations, including conflict of interest, asset disclosure, and anti-corruption restrictions)
- Law on State Service and
- Law on Countering Corruption

Since January 2021, government officials and their spouses have been required to submit declarations of their income and property as part of the phased introduction of compulsory income and property declarations by 2025. Kazakhstan's Anti-Corruption Agency prepares an annual report on countering corruption, and the government continued to implement procurement reforms to increase transparency. President Tokayev approved the Concept of Anti-Corruption Policy for 2022-2026 and an Action Plan for its implementation in February 2022. In January 2023, President Tokayev signed a law on combating corruption, establishing penalties for officials with discrepancies between their expenses and incomes. This law will take effect in 2027. In October 2023, the Prosecutor General's Office established an Asset Recovery Committee to nationalize assets that the government now believes to have been illegally privatized. In July 2024, President Tokayev signed a new law on government procurement. The law, which went into effect in January 2025, aims to enhance transparency and reduce corruption risks by automating the procurement process through an online platform and rating-point system.

Kazakhstan is a party to the United Nations Convention against Corruption (UNCAC). Kazakhstan is a member of the Group of States against Corruption and the Istanbul Action Plan of the OECD Anti-Corruption Network for Eastern Europe and Central Asia. Kazakhstan cooperates with several international law enforcement networks, including the Egmont Group, Camden Asset Recovery Interagency Network, and Asset Recovery Inter-Agency Network. Kazakhstan is also a member of the International Association of Anti-Corruption Authorities. Kazakhstan's anticorruption policy includes plans to accede to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Anti-Bribery Convention) and the Criminal Law Convention on Corruption.

Kazakhstan officially declares support for NGOs, including those working to combat corruption. However, in practice, NGOs face several restrictions, especially if they conduct independent investigations or criticize government bodies.

In June 2025, President Tokayev signed a decree titled "On Measures to Improve the System of State Administration." The decree mandated the reorganization of the Agency of the Republic of Kazakhstan for Combating Corruption (the Anti-Corruption Service) by incorporating it into the Committee for National Security of the Republic of Kazakhstan. The decree also transferred the functions and powers of the Anti-Corruption Service related to the development and implementation of anti-corruption policy, coordination in the fight against corruption, minimizing the causes and conditions conducive to corruption offenses, and promoting an anti-corruption culture to the Agency for Civil Service Affairs. As a result, both the Committee for National Security and the Agency for Civil Service Affairs are the legal successors to the former Anti-Corruption Service. Additionally, a draft law aimed at improving national anti-corruption legislation has been submitted to the Mazhilis (lower house) of Parliament for consideration. Post is unaware of government encouragement or requirements to establish internal codes of conduct that prohibit bribery of public officials. Some U.S. firms have cited dispute resolution corruption as an obstacle to further investment.

Section 9. Political and Security Environment

There were no reported incidents of politically motivated violence against foreign investment projects in 2025. Although small-scale protests do occur, large-scale civil disturbances are

infrequent, in part due to tight government control over public demonstrations. No major terrorist attacks took place in Kazakhstan in 2025.

Impact of Russia's War against Ukraine on Kazakhstan's Economy

Russia's war against Ukraine caused supply chain disruptions and complicated Kazakhstan's external trade and business operations. Kazakhstan's businesses must conduct greater due diligence when working with Russian business partners, exporting to or transshipping products through Russia and Belarus, or transmitting payments. Despite international sanctions against Russia, Kazakhstan's total foreign trade continued to grow in 2025, with China replacing Russia as its top foreign trade partner. Sanctions have also affected trade routes transiting through Russia, increasing demand in Kazakhstan for alternative shipping routes such as via the Trans-Caspian Trade Route (TCTR).

Kazakhstan's oil, uranium, and metals companies are increasingly using alternate routes that bypass Russia, such as:

- Shipping fuel through seaports in Georgia
- Redirecting a small but consistently growing amount of oil exports from the Caspian Pipeline Consortium to Caspian seaports and
- Using the TCTR for approximately 64 percent of uranium shipments

These alternative routes, however, lack the capacity and efficiency of routes through Russia, and are more expensive. Metal mining companies also reported forced output cuts due to the loss of Russian customers and suppliers of raw materials.

Kazakhstan introduced its own Kazakhstan Export Blend Crude Oil in June 2022 to distinguish its exports from oil originating in Russia and managed to narrow the discount to Brent Crude. KazMunayGas (KMG), the state-owned oil and gas company of Kazakhstan, introduced sanctions disclaimers to its legal documents, and sanctioned Russian oil companies Lukoil and Tatneft withdrew from joint projects. The Ministry of Energy reported that all contracts with potential vendors for a tender to construct Kazakhstan's nuclear power plants would undergo an international sanction compliance due diligence review and have sanction disclaimers.

The government has made a clear commitment to abide by the United States' and partner countries' sanctions and export control regimes against Russia. On March 1, 2023, the government enacted a new Law on Control of Specific Goods, which governs trade in dual-use goods and defense articles. The law replaced a 2007 export control law and updated controls governing:

- The identification, export, import, transit, and movement of specific goods, and
- The responsibilities of individuals and legal entities while exporting, importing, reexporting, and transiting specific goods

Technologies, materials, and software that can be used for both civil and military purposes are considered specific goods by law. On April 1, 2023, Kazakhstan introduced an online system for tracking goods. Customs authorities now require accompanying electronic invoices for all goods traded with EAEU member-states.

Sanctions also affected Kazakhstan's banking sector (see Section 5 for details).

Section 10. Labor Policies and Practices

The 2022-2027 European Bank for Reconstruction and Development Country Strategy named skill shortages and labor market mismatches as key factors that detract from Kazakhstan's investment attractiveness in non-mining activities. The government approved the 2024-2029 Concept Plan of Labor Market Development, which was drafted based on the World Bank's 2023 Jobs in Kazakhstan report, to address labor market shortcomings in foundational skills, knowledge application, and skills mismatches. The State Compulsory Standard of Technical and Vocational Education mandates the use of WorldSkills Occupational Standards to develop educational programs, modular training structures, and systems for assessing students' practical skills. The Ministry of Education plans to establish a National Competence Center in Astana, which will initially focus on:

- 5G technology
- AI
- Digital finance and

- Railway signaling

The government regulates foreign labor; foreign workers, except for CEOs of fully foreign-owned companies and their first deputies, must obtain work permits. The government has made it a priority to ensure citizens of Kazakhstan are well represented in foreign enterprise workforces, including in the managerial and executive ranks.

Kazakhstan joined the International Labor Organization (ILO) in 1993 and has ratified 26 out of 189 ILO conventions. The most recent ratification was the Minimum Wage Fixing Convention on December 19, 2025, which enters into force on December 19, 2026. The Constitution and Labor Code guarantee basic workers' rights, including occupational safety and health, the right to organize, and the right to strike. The three national-level labor unions – the Federation of Trade Unions of the Republic of Kazakhstan (FTUK), Commonwealth of Trade Unions of Kazakhstan Amanat, and Kazakhstan Confederation of Labor (KCL) – have around three million members, 1.6 million of whom belong to FTUK. In February 2024 (the latest data available), the Ministry of Labor and Social Protection reported that 98.4 percent of large and medium-size companies had collective agreements.

In September 2024, ILO Director-General Gilbert Houngbo, commended "the country's significant efforts to create favorable labor conditions, aligning with the ILO's initiatives promoted through the Global Coalition for Social Justice." In June 2024, the government, employers' organizations, workers' organizations, and the ILO signed a 2024-2025 roadmap outlining work on:

- Occupational safety and health
- Social dialogue
- Tripartism and
- Eliminating violence and harassment in the workplace

The ILO's Committee on the Application of Standards has repeatedly expressed concern regarding Kazakhstan's compliance with workers' right to freedom of association, including in 2022, reiterating concerns raised in previous years. The Labor Code describes an escalatory

mechanism for resolving individual labor disputes, involving direct negotiations with an employer, followed by a conciliation commission, and ultimately the courts, when needed. Collective labor disputes similarly may be resolved via direct negotiations with an employer, followed by a mediation commission, labor arbitration, and the courts. April 2026 amendments to the Labor Code banned the conclusion of a civil-service contract (CSC) with an employee if at least one criterion indicates the relationship constitutes direct employment. CSC does not provide social benefits, and workers engaged under CSC arrangements have initiated many strikes. Courts have the power to declare a strike illegal at the request of an employer or the Prosecutor General's Office. Employers may fire striking workers after a court declares a strike illegal. Please see additional details in the U.S. Department of State's Human Rights Report.

The Ministry of Labor and Social Protection reported strikes in 11 companies in 2025; all strikes took place in the Mangistau Region. In many cases, workers submitted complaints to government and company management on social media, and companies worked directly with complainants to resolve complaints privately. The government reported that in 2025, more than 1.1 million citizens – roughly 12 percent of the country's workforce – worked in the informal economy. Informal workers were concentrated mostly in the commerce, agriculture, and real estate sectors. Small entrepreneurs and their employees generally worked without health, social, or pension benefits, and did not pay into the social security system.

Section 11. Contact for More Information

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