

**Environmental law in  
Kazakhstan**

We make the complex  
understandable

The violation of ecological laws and regulations is often unintentional, but any company found guilty can face fines running to many millions. This has a significant impact on the business and its reputation.

# Are you sure that your company is in compliance with environmental legislation in Kazakhstan?

The oil and gas sector has been developing at an impressive rate. With this we have seen an increase in regulatory activity as authorities seek to control the activities of subsoil users. The number of ecological audits of subsoil user compliance with environmental legislation has grown year on year as has the number of positive findings of violations of environmental law.

Even though a violation of ecological and statutory norms is often unintentional, corporations face fines running to many millions and this has a significant impact on their business. For example, emissions in excess of permitted levels can lead to a fine of 1,000% of the standard environmental emissions' charge. Furthermore, failure to pay administrative fines and demands voluntarily, typically means that a company will end up in court for forced collection and violation of environmental legislation can be a criminal offence. It goes without saying that any successful finding against the company in this respect can have a very damaging effect on its reputation. In addition, subsoil users may be forced to carry out expensive environmental restoration work. Ultimately, subsoil users can face a "triple environmental liability" in the form of a charge for excess emissions, compensation for ecological damage caused and administrative fines.



Within an 8-month period during 2016, the authorities performed more than 1,818 corporate audits (which highlighted over 4,106 violations) and imposed more than 3,027 fines totalling KZT 1,157,221.



During this same 8-month period, the authorities issued 2,706 orders demanding compensation for environmental damage, of which 118 ended up in court, and of those court cases 92 ruled in favour of the authorities.



The government, in turn, has made a number of amendments and additions to environmental legislation aimed at increasing the likelihood of administrative and criminal liability for subsoil users violating environmental legislation. More importantly, in accordance with the Kazakhstan-2050 Strategy and the concept of the “transition to a green economy”, the government is currently reforming its approach to environmental protection, as well as modifying state, industry and regional environmental protection programmes.

We have already seen the introduction of a number of Tax Code amendments and additions which should see an increase in the charge for pollutant emissions from flaring associated gas and natural gas. At the same time, the provision stipulating a 10-fold increase in the charge for environmental emissions in excess of established standards will be abolished.

Furthermore, a number of Ecological Code amendments and additions regarding the allocation of greenhouse gas quotas, and a reduction in emissions and the absorption of greenhouse gases are being introduced. These amendments should bring about changes to administrative legislation.

Professional legal support in resolving complex ecological issues at any stage of the development of your business is key to being able to highlight and minimise risks related to the violation of environmental legislation.

# Why Deloitte Legal

Deloitte Legal began operations in Kazakhstan in 1994 as part of Deloitte CIS, aiming to expand the firm's potential to provide clients with a multifaceted approach to meeting their business needs, and ensuring highly professional legal support. Deloitte Legal has been recommended as a service provider by such leading international directories as Legal 500 EMEA and IFLR1000. Deloitte Legal has extensive experience of advising both national and multinational clients from both the public and private sectors in oil and gas, energy, renewables, mining, manufacturing, construction and other industries.

Deloitte Legal — a leader on environmental legislation in Kazakhstan

Since 2007, we have been providing environmental law compliance services through our dedicated team of lawyers with specialised knowledge of environmental law. All have trained at Kazakhstan's most highly rated universities and foreign law schools, and have work experience from companies in the oil and gas sector and in some of the most renowned legal firms and consulting companies in Kazakhstan and throughout the world. Our experts' exemplary qualifications and many years of experience working on environmental projects varying in complexity, are a guarantee of the quality of our work and make us a leader among the "Big Four" and law firms providing professional services on environmental law.

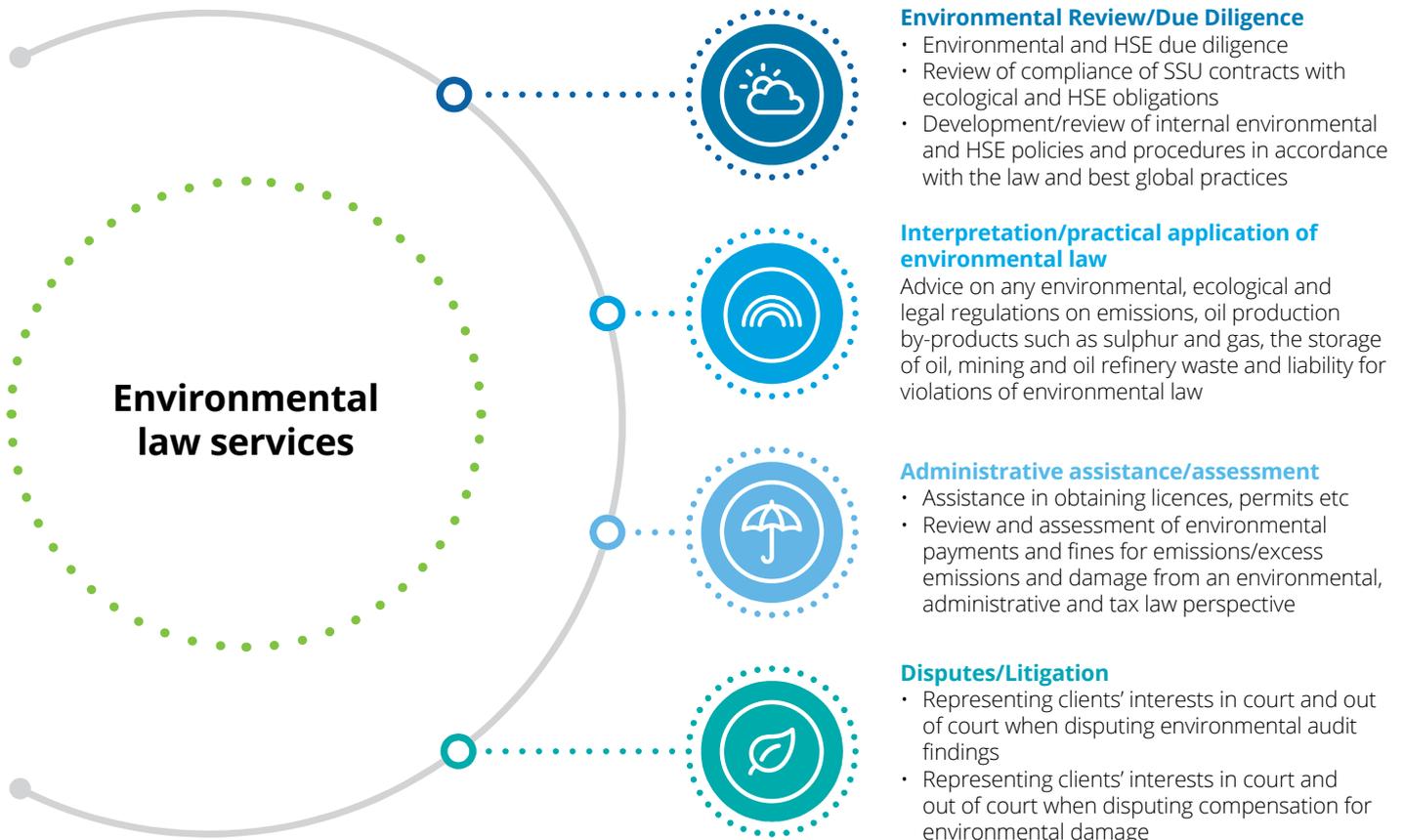
Deloitte Legal works closely with professional ecologists and this helps us consider the technical aspects of ecological issues, and health and safety. By working closely with our tax and financial experts, having access to the best practices of the Deloitte Global network and an integrated approach to client interests, we are uniquely regarded as a consultant providing comprehensive and high-quality support to clients on any ecological issue.

Many people. One voice.



# Our services

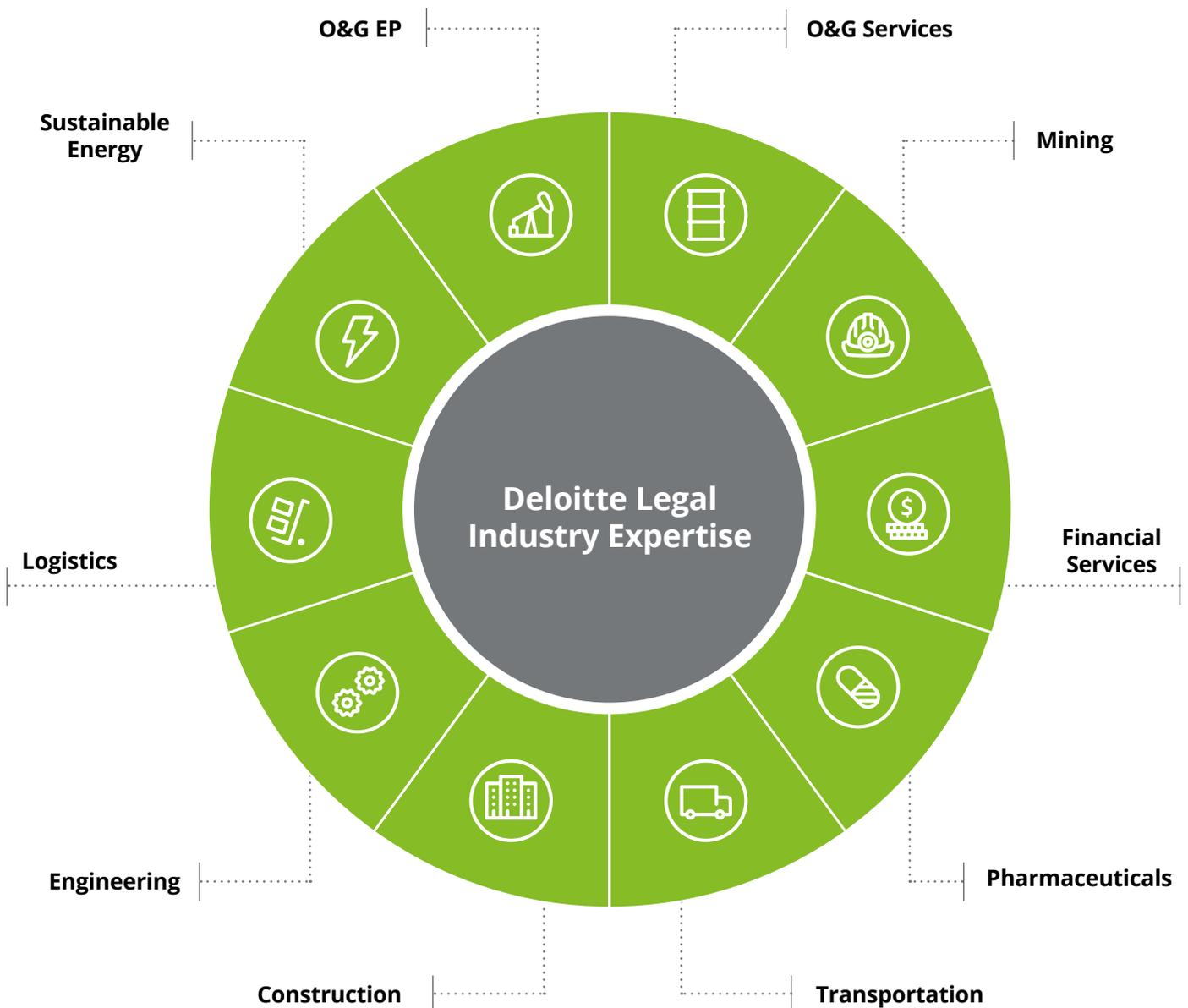
At Deloitte Legal we customize our services to each client's needs. Importantly, we work closely with our clients to plan and deliver our services, enabling them to deliver greater value as an organization.



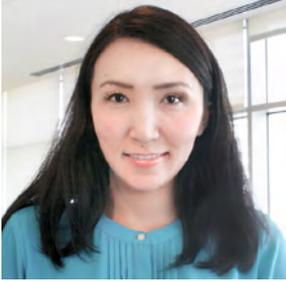
“An independent assessment of environmental documentation by Delotte Legal will help you significantly reduce the risk of potential conflicts, prevent sanctions from state authorities and, most importantly, maintain your reputation as a law-abiding company.”

# Clients who choose Deloitte Legal

Our clients choose to put their trust in Deloitte Legal. We are proud to count some of the major oil & gas giants in Kazakhstan in our client portfolio. Our industry expertise is both wide and deep.



# Meet the team



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