




Legal regulation of foreign trade
Lecture № 1


**Concept and subject
of foreign economic activity law**



What are the 4 types of economic activity?

The four essential economic activities are:

- ▶ **resource management,**
 - ▶ **the production of goods and services,**
 - ▶ **the distribution of goods and services,**
 - ▶ **and the consumption of goods and services.**
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What are 3 main activities in the economic activities?

The three-sector model in economics divides economies into three sectors of activity:

- ▶ **extraction of raw materials (primary),**
- ▶ **manufacturing (secondary),**
- ▶ and service industries which exist to facilitate the transport, distribution and sale of goods produced in the secondary sector (tertiary)




Legislation of the Republic of Kazakhstan on the regulation of trading activities

- 1. The legislation of the Republic of Kazakhstan on the regulation of trading activities shall be based on the Constitution of the Republic of Kazakhstan and comprised of the present Law and of other legal normative acts of the Republic of Kazakhstan.
- 2. If an international treaty ratified by the Republic of Kazakhstan establishes rules other than those which are contained in the present Law, the rules of the international treaty shall be applied.





Purposes and principles of the regulation of trading activities

- 1) satisfying the needs of population in goods and developing the trade infrastructure;
- 2) organizing services in trade and public catering;
- 3) promoting the development and improvement of trading activities in the Republic of Kazakhstan;
- 4) providing conditions for Kazakhstan to integrate in the world trade system;
- 5) improving the competitiveness of domestic goods;
- 6) promoting the sustainable development of the national economy;
- 7) ensuring food security;
- 8) ensuring non-discriminatory conditions for Kazakhstani producers in foreign markets.



The following principles shall be followed when regulating the trading activities:


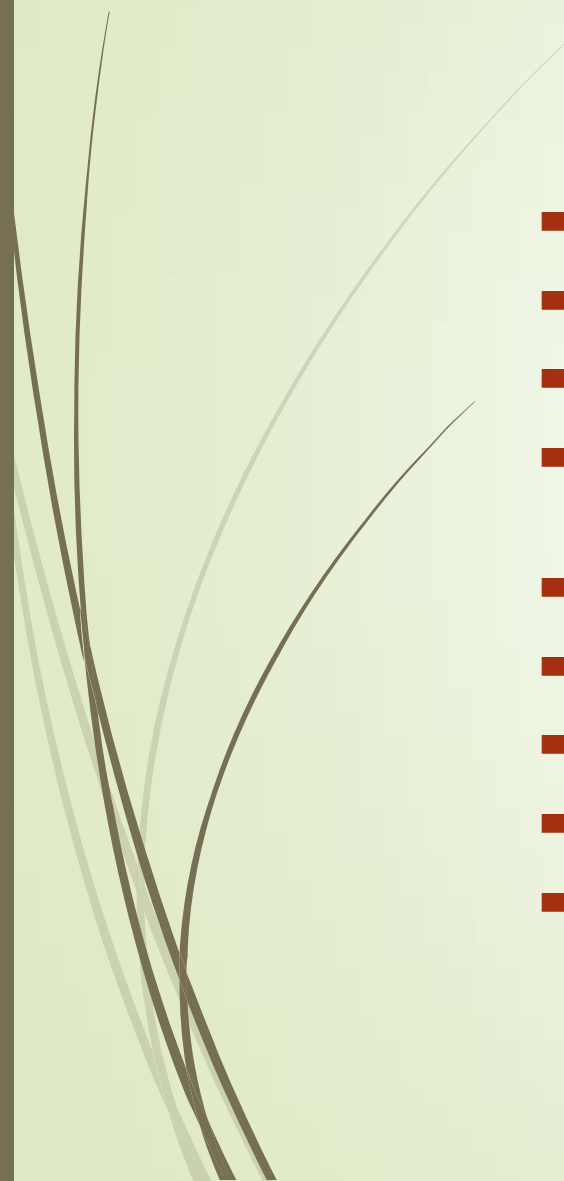
- 1) the equality of rights of subjects of trading activities;
- 2) non-interference of the state authorities in trading activities unless stipulated by the legislation of the Republic of Kazakhstan;
- 3) support for free and fair business;
- 4) excluded by Law of the Republic of Kazakhstan № 241-VI as of 02.04.2019 (shall be enforced ten calendar days after its first official publication);
- 5) secure of good services in trade;
- 6) freedom to choose the type of trading activities and the possibility of the subjects of trading activities to be engaged in such activities;
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- 7) unity of trade policy as an integral part of the state economic policy of the Republic of Kazakhstan;
 - 8) ensuring on equal footing of the protection of the rights and legitimate interests of the customers, subjects of trading activities and of the state.
 - 9) unity of application of methods of state regulation of foreign trade activity in all territory of the Republic of Kazakhstan;
 - 10) publicity during the developing, acceptance and application of measures of state regulation of foreign trade activity;
 - 11) validity, objectivity and transparency of application of measures of state regulation of foreign trade activity.



Forms and methods of state regulation of trading activities



- 1. The following shall be the forms of the state regulation of trading activities:
 - 1) determination the procedure of carrying out of trading activities;
 - 2) definition of conditions of movement of goods through the customs border of the Eurasian Economic Union coinciding with Frontier of the Republic of Kazakhstan;
 - 2-1) definition of conditions of movement of goods at implementation of mutual trade in state members of the Eurasian Economic Union;
 - 3) fostering of the development of trading activities;
 - 4) state control over compliance with the legislation of the Republic of Kazakhstan on the regulation of trading activities;
 - 5) certification.

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- 2. The following shall be the methods of the state regulation of trading activities:
 - 1) customs and tariff regulation of foreign trade;
 - 2) non-tariff regulation of foreign trade;
 - 3) suspension of trade and (or) prohibition of sale of goods in accordance with the legislation of the Republic of Kazakhstan;
 - 4) the use of special protective, antidumping and countervailing measures;
 - 5) participation in the international economic sanctions;
 - 6) application of response measures;
 - 7) the use of special types of prohibitions and restrictions;
 - 8) the use of a compensatory measure.



The following basic terms are used in this Law:

- ▶ 1) automatic licensing (supervision) - a temporary measure established in order to monitor the dynamics of exports and (or) imports of certain types of goods;
- ▶ 2) information and advertising trading platform - an online resource with advertisements (information) of (on) sellers, as well as goods, works, services in order to organize their purchase and sale;
- ▶ 3) exclusive right - the right of participants in foreign trade activities to export and (or) import certain types of goods, which is granted on the basis of an exclusive license;
- ▶ 4) discounted goods - a product sold at a reduced price because of a defect or its correction;
- ▶ 5) threshold value of retail prices for staple foods - the permissible level of retail prices set to prevent unjustified increases in prices, to keep inflation within acceptable limits and to ensure macroeconomic stability in the country, which a domestic trading subject has no right to exceed when setting retail prices for staple foods;
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- ▶ 6) maximum permissible retail prices for staple foods - the level set by local executive bodies for retail prices in case they exceed threshold values of retail prices for staple foods;
 - ▶ 7) control (identification) mark – an accountable form (document) with security elements (features) against counterfeit (security print products), containing an identification sign and intended for goods labeling;
 - ▶ 8) retail trade - entrepreneurial activity on the sale of goods intended for personal, family, household or other uses, not related to entrepreneurial activity, to the buyer;
 - ▶ 9) sale - the sale of goods of good quality at reduced prices;
 - ▶ 10) import customs duty - a mandatory payment levied by customs authorities on the import of goods into the customs territory of the Eurasian Economic Union;