



**Observatoire ARGA**

**ADMINISTRATIVE EXPROPRIATION OF ASSETS UNDER THE GUISE OF “STATE  
NEEDS” IN THE REPUBLIC OF KAZAKHSTAN**

**A systemic analysis of practice and an illustrative case of Peasant Farm “Ashamay”  
(KFH/KZH)**

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## 1. SUMMARY

In recent years, public and institutional rhetoric in Kazakhstan has increasingly emphasized the “return of assets to the state” and the “restoration of justice”. In public discourse, this is often described as “nationalization”. However, in a legally relevant sense, under a single rhetorical umbrella there in fact coexist different legal mechanisms with distinct legal nature, standards of proof, and safeguards for the protection of rights: (a) the return of illegally acquired assets to the state (asset recovery) and (b) compulsory alienation (buyout) of property/land plots for state needs.

This report demonstrates that, alongside the anti-corruption agenda and criminal-law measures as such, there exists a body of practices that affect owners and lawful land users through the mechanism of compulsory alienation “for state needs”, which in a number of cases is formalized through civil-law instruments and accompanied by procedural formalism. This model may lead to situations where formal “procedural compliance” substitutes for guarantees of due process and equivalent compensation.

Key features of the phenomenon under review include:

- administrative initiation of alienation by an act of a local executive authority (“for state needs”);
- formalization of “voluntariness” through a sale and purchase agreement and an acceptance-transfer act (civil-law framework);
- disputes over the authenticity of documents (including signatures) in the absence of effective examination/expert review by the courts;
- violation of the sequence “valuation/notification → transaction → transfer of rights → compensation”, including payment of compensation after the transfer of title;
- weakness of the institutional response and dilution of responsibility between the judicial and law enforcement/supervisory frameworks.

To demonstrate the mechanics of the described phenomenon, the report presents an illustrative case of the peasant farm “Ashamay” (KFH/KZH): compulsory alienation of a land plot, challenge to Agreement No. 6 dated 07.07.2021 and the acceptance-transfer act, an allegation of forged signature, issues of equivalent compensation and the sequence of payments, as well as procedural barriers at the cassation stage (case No. 6003-25-00-2K/4185; first-instance decision dated 20.03.2025; appellate decision dated 20.05.2025; return of the cassation appeal on 03.11.2025).

## 2. PURPOSE AND SCOPE OF THE REPORT

### 2.1. Purpose

- (a) To establish correct legal terminology for the phenomenon and to distinguish rhetoric from law.
- (b) To describe a recurring risk mechanism in compulsory alienation “for state needs” through civil-law documents and procedural formalism.

(c) To present an evidentiary matrix “norm → fact → document → legal conclusion/risk” based on a specific, documentarily confirmed case used exclusively as an illustration of a systemic mechanism.

## 2.2. Scope

The subject of analysis is not criminal-law confiscation of assets, but rather the practice of compulsory alienation/buyout of property (including land plots and associated improvements) for state needs, as applied within the framework of legislation on state property and land relations, as well as its judicial and institutional projection.

# 3. BACKGROUND AND RHETORIC: HOW THE GROUNDS FOR THE APPLICATION OF MEASURES ARE DECLARED

In the socio-political discourse of Kazakhstan, measures related to the “return of assets” are declared as:

- restoration of social justice;
- elimination of the consequences of previous practices of wealth concentration;
- replenishment of the state budget and financing of social programs;
- “cleansing” of the economy and strengthening trust in institutions.

The declared objective may be legitimate. The risk arises when, under the rhetoric of “asset return” and “justice”, different legal regimes begin to be conflated, and when, within the framework of compulsory alienation “for state needs”, simplifications are allowed that effectively shift the main burden of proof onto citizens and businesses, while leaving state decisions outside full substantive judicial review.

Correct legal terminology that should be used in legal analysis includes:

- “compulsory alienation (buyout) of property/land plots for state needs”;
- “compensation (reimbursement) in cases of alienation for state needs”;
- “challenge to the validity of a transaction (sale and purchase agreement)”;
- “challenge to the authenticity of a signature/manifestation of will”;
- “procedural guarantees: examination of evidence, expert review, adversarial proceedings”;
- separately (and not identically): “return of illegally acquired assets to the state (asset recovery)” as a different legal regime.

## 4. METHODOLOGY AND SOURCES

### 4.1. Methodology

The report is based on a documentary analysis of the materials of the case of the peasant farm “Ashamay” and a comparison of the facts with the norms of substantive and procedural law expressly referred to in the judicial and procedural documents of the case. An evidentiary matrix method is applied: each material assertion is linked to a specific document (date/authority/number) and to the legal provision invoked by either the claimant or the court.

### 4.2. Key documents in the case (identifying)

- Case No. 6003-25-00-2K/4185 (Civil Cassation Court, Astana).
- Ruling of the Cassation Court dated 03.11.2025 No. 6003-25-5-29/10470 (return of the cassation appeal; grounds: Articles 441–442 of the Civil Procedure Code; court fee; need to clarify the challenged acts; calculation of the court fee in the amount of 201,706 tenge; amount paid: 3,932 tenge; references to the Tax Code, Articles 108, 609, 610).
- Cassation appeal (petition) of the claimant’s representative (attorney of the Almaty City Bar Association Umarov T.O.), containing the factual background of the dispute, references to the Law of the Republic of Kazakhstan “On State Property” (Articles 62-1, 65(6), 68), a description of the dispute over the signature and authority, as well as key dates: 07.07.2021; 14.07.2021; 30.11.2021; 30.12.2021; 20.03.2025; 20.05.2025; 08.10.2025.
- Resolution No. 58 dated 04.03.2021 (Akimat of Zhambyl Region) on compulsory alienation for state needs (as the administrative basis for the alienation).
- Sale and purchase agreement No. 6 dated 07.07.2021 (between the peasant farm “Ashamay” and the State Institution “Department of Land Relations of the Akimat of the Korday District”).
- Acceptance-transfer act of the land plot dated 07.07.2021 (linked to Agreement No. 6).
- Expert material: specialist’s opinion No. 43-2025 dated 08.10.2025 (as summarized in the cassation appeal: the signature was executed by another person).
- Judicial acts on the merits: decision of the Specialized Interdistrict Economic Court of Zhambyl Region dated 20.03.2025 No. 3115-25-00-2/3454; appellate ruling dated 20.05.2025 No. 2a-357/2025.
- Additional documentary materials (as confirmation of economic reality): state act to the land plot (676.69 hectares); technical passport; commissioning act; contracts (including well drilling; supply of a solar power plant); livestock-related documents (veterinary certificates; breeding records); account turnover statements; investment payments.

## 5. TERMINOLOGY (DECONSTRUCTION OF CONCEPTS)

### 5.1. Table of terms (rhetoric vs. law)

Term: “Nationalization”

- Rhetoric: “return of property to the people”.
- Legal essence: expropriation subject to strict safeguards and equivalent compensation.
- Risk: substitution of the discussion of due process with a political thesis.

Term: “Return of assets to the state” (asset recovery)

- Rhetoric: “seizure of illegally acquired property”.
- Legal essence: confiscation/forfeiture on grounds provided by law, with an established standard of proof.
- Risk: conflation with alienation “for state needs”, where illegality of acquisition is not established.

Term: “Compulsory alienation (buyout) for state needs”

- Legal essence: a special procedure (valuation, notification, equivalent compensation, payment prior to transfer of rights, judicial review).
- Risk: formalization of “voluntariness” through civil-law documents in the presence of disputes over signature/intent and refusal to conduct expert examinations.

Term: “Voluntary transaction”

- Legal essence: free expression of will by the parties.
- Risk: legalization of alienation where the authenticity of the signature and the will are disputed, while originals and expert examinations are not reviewed.

## 6. REGULATORY FRAMEWORK (BASED ON NORMS EXPRESSLY REFERRED TO IN THE CASE DOCUMENTS)

### 6.1. Law of the Republic of Kazakhstan “On State Property”

The cassation materials and the appeal explicitly refer to the following provisions and their legal role:

- Article 65(6): procedure and sequence of actions in buyout/alienation (the appeal alleges that Agreement No. 6 dated 07.07.2021 was signed prior to notification of the market value dated 14.07.2021, which the claimant qualifies as a procedural violation).
- Article 68: the principle of payment of compensation prior to the transfer of title (the appeal alleges that the transfer of title to the state occurred on 30.11.2021, while payment was made on 30.12.2021).

– Article 62-1: the principle of equivalent compensation/ensuring a compensation standard (the appeal points to the courts’ failure to verify whether the compensation corresponded to the real value and to the possibility of an alternative land plot/full compensation in the claimant’s reasoning).

## 6.2. Civil Procedure Code of the Republic of Kazakhstan (cassation proceedings)

The ruling of the Cassation Court dated 03.11.2025 refers to:

– Article 441 CPC: requirements for a cassation appeal, including the obligation to attach proof of payment of the state duty (part 5).

– Article 442 CPC: grounds for the return of a cassation appeal (subparagraph 1 of part 1).

The court indicated incomplete payment of the state duty and the need to clarify which judicial acts were subject to review, as the proceedings had been terminated in part with respect to the claim challenging Resolution No. 58 dated 04.03.2021, and the relevant rulings (dated 20.03.2025 and 20.05.2025) had not been appealed.

## 6.3. Tax Code of the Republic of Kazakhstan (state duty)

The ruling dated 03.11.2025 cites the following provisions:

– Article 609 (rates of state duty);

– Article 610(2) (procedure for calculation in cassation);

– Article 108(1)(7) (refund of state duty upon return of an appeal).

The court calculated the payable state duty at 201,706 tenge and noted partial payment in the amount of 3,932 tenge.

## 6.4. By-laws and procedural regulations (procedure, publication, notification, valuation)

– Publication of a decision on the initiation of compulsory alienation: public explanations of the judicial system indicate the obligation to publish a decision of the Government of the Republic of Kazakhstan or a local executive authority within three working days and to send written notifications to right holders within the established time limits.

– State registration of the notification of compulsory alienation as a legal encumbrance: identified as a mandatory element of the procedure.

– Valuation of the alienated property: a special valuation standard applies, “Valuation of a land plot or other immovable property alienated for state needs...”, approved by the authorized body (as an element of the procedure for determining market value as of the notification date).

– Examples of acts at the level of the Government of the Republic of Kazakhstan initiating compulsory alienation (depending on the nature of the “state needs”): in particular, a Government resolution on the initiation of compulsory alienation of land plots for the purposes of ensuring protection and security of the state border.

- Historically applicable provisions/regulations (normative sources used in doctrinal and judicial argumentation on notification/buyout issues): the “Regulation on the Procedure for Seizure and Buyout...”, approved by a Government resolution (under the former regulatory framework).
- Legal positions of higher courts on compulsory termination of ownership rights and standards for the application of norms: taken into account with regard to general principles of compulsory termination of ownership and judicial review of the grounds.

## 7. DESCRIPTION OF THE PHENOMENON (SYSTEMIC RISK MODEL)

### 7.1. Typical sequence of the mechanism

- A) An administrative act (decision/resolution) on “state needs” triggers the alienation.
- B) A civil-law framework creates an appearance of voluntariness: a preliminary agreement / sale and purchase agreement / acceptance-transfer act.
- C) Transfer of title and/or factual control is carried out on the basis of these documents.
- D) Compensation is paid with a risk of undervaluation and/or breach of sequence (ideally, prior to the transfer of title).
- E) The judicial framework consolidates the result with limited examination of evidence, especially in disputes over signature/authenticity of will.
- F) The supervisory and law enforcement framework does not carry out a comprehensive verification of the authenticity of documents, qualifying the dispute as “civil”, which leads to a dilution of responsibility.

### 7.2. Key due process vulnerabilities

- disputes over the authenticity of a signature and the manifestation of will in the absence of expert examination and review of originals;
- valuation without accounting for improvements/infrastructure and without correlation to real economic activity;
- termination of proceedings/procedural barriers instead of a decision on the merits;
- cassation filters which, in cases of improper configuration of the appeal and miscalculation of the state duty, hinder access to review.

### 7.3. Public indicators of the recurring nature of the problem (illustrations from media and official communications)

- challenges by owners/land users to akimat decisions on compulsory seizure (including an emphasis on the qualification of such decisions as administrative acts and on the right to judicial review);

- the widespread nature of the practice of “seizure for state needs” in certain cities/regions and the significant number of disputes/proceedings surrounding such seizures;
- contentious assessments of “state needs” and the nature of the plots (including cases involving commercial land, where owners challenge the grounds and/or the procedure);
- scandals surrounding land transactions/redistribution of land rights and the high public sensitivity of the issue, creating a background for heightened risks of “procedural substitution” in cases of seizure/buyout.

## 8. ILLUSTRATIVE CASE OF THE PEASANT FARM “ASHAMAY” (KFH/KZH): FACTS, FIGURES, DATES, DOCUMENTS

### 8.1. Identification of the parties

Claimant: Peasant Farm “Ashamay”, IIN 710816302922; Zhambyl Region, Korday District, village of Betkaynar (registration quarter 035).

Defendants: Akimat of Zhambyl Region; State Institution “Department of Land Relations of the Akimat of the Korday District”.

### 8.2. Complete chronology based strictly on the case documents

04.03.2021

Event: administrative initiation of compulsory alienation “for state needs”.

Document: Resolution of the Akimat of Zhambyl Region No. 58 dated 04.03.2021.

Legal significance: the initial administrative act forming the basis of the alienation procedure.

07.07.2021

Event: formalization of the civil-law framework of alienation.

Document: Sale and purchase agreement for the land plot No. 6 dated 07.07.2021 (between Peasant Farm “Ashamay” and the State Institution “Department of Land Relations of the Akimat of the Korday District”).

Legal significance: a document used to substantiate the existence of a “voluntary transaction”, subsequently challenged by the claimant.

07.07.2021

Event: recording of the transfer on the disputed basis.

Document: Acceptance-transfer act of the land plot dated 07.07.2021 (linked to Agreement No. 6).

Legal significance: a document confirming the transfer/acceptance of the land plot, relevant for assessing authority and the sequence of actions.

14.07.2021

Event: dispatch of the notification of market value (according to the arguments of the cassation appeal).

Legal significance: the appeal alleges an inversion of the mandatory procedure, as Agreement No. 6 dated 07.07.2021 was signed prior to the notification of market value, which the claimant qualifies as a direct violation of Article 65(6) of the Law of the Republic of Kazakhstan “On State Property”, establishing an imperative sequence of actions in buyout procedures (valuation → notification → agreement → payment → transfer of title).

30.11.2021

Event: state registration of the transfer of ownership (use) rights to the state.

Document: registration data (referred to in the cassation appeal).

Legal significance: according to the claimant, this date marks the transfer of title, which is of key importance for assessing compliance with Article 68 of the Law of the Republic of Kazakhstan “On State Property” (the obligation to pay compensation prior to the transfer of title).

30.12.2021

Event: actual payment of compensation for the alienated land plot.

Document: payment documents (mentioned in the case materials).

Legal significance: payment was made after the transfer of title (30.11.2021), which, according to the claimant, constitutes a violation of the principle of prior equivalent compensation enshrined in Article 68 of the Law of the Republic of Kazakhstan “On State Property” and transforms the buyout procedure into a de facto uncompensated seizure at the moment of transfer of title.

2021–2024 (period of actual economic activity)

Event: conduct of agricultural activities and investments in the asset.

Documents:

- state act to the land plot with an area of 676.69 hectares;
- technical passport;
- commissioning act;
- well-drilling contracts;
- contracts for the supply of a solar power plant;
- veterinary certificates and breeding records;

– bank account turnovers and investment payments.

Legal significance: these documents confirm the reality of economic activity, the existence of improvements and capital investments, which must be taken into account when assessing the equivalence of compensation within the meaning of Article 62-1 of the Law of the Republic of Kazakhstan “On State Property”; however, according to the claimant, the courts failed to examine them in their entirety.

20.03.2025

Event: consideration of the case on the merits at first instance.

Document: decision of the Specialized Interdistrict Economic Court of Zhambyl Region dated 20.03.2025

No. 3115-25-00-2/3454.

Legal significance: the court dismissed the claims, effectively recognizing Agreement No. 6 and the acceptance-transfer act as valid, without assessing the arguments concerning the alleged forgery of the signature, the inversion of the procedure, and the violation of the principle of prior compensation.

20.05.2025

Event: appellate review.

Document: ruling of the appellate instance dated 20.05.2025

No. 2a-357/2025.

Legal significance: the decision of the first instance was upheld; the appellate court reproduced the conclusions of the first-instance court, without remedying the alleged procedural defects and without initiating a judicial handwriting examination of the signature.

08.10.2025

Event: receipt of expert material regarding the signature.

Document: specialist’s opinion No. 43-2025 dated 08.10.2025.

Legal significance: according to the account set out in the cassation appeal, the specialist concluded that the signature in Agreement No. 6 was executed by another person, which calls into question the existence of the claimant’s free expression of will and undermines the classification of the transaction as “voluntary”.

03.11.2025

Event: cassation filter.

Document: ruling of the Civil Cassation Court, Astana, dated 03.11.2025

No. 6003-25-5-29/10470.

Legal significance: the cassation appeal was returned on formal grounds (Articles 441–442 of the Civil Procedure Code of the Republic of Kazakhstan):

- incomplete payment of the state duty (3,932 tenge paid against a calculated amount of 201,706 tenge);
- the need to clarify the list of judicial acts being challenged.

As a result, access to cassation review on the merits (including assessment of the signature, the procedural sequence, and the equivalence of compensation) was effectively not realized.

### 8.3. Key legal nodes of the dispute (summary)

#### Will and signature

Dispute over the authenticity of the signature in Agreement No. 6 in the absence of a court-ordered handwriting examination and review of the original documents.

#### Procedural inversion

Signing of the agreement prior to notification of market value — a potential violation of Article 65(6) of the Law of the Republic of Kazakhstan “On State Property”.

#### Compensation

Payment after the transfer of title — a potential violation of Article 68 of the same law.

#### Equivalence of compensation

Failure to assess improvements, infrastructure, and real economic activity in the context of Article 62-1.

#### Procedural barriers

A shift of focus from consideration of the dispute on the merits to formal grounds for termination of proceedings and return of appeals.

## 9. ANALYTICAL CONCLUSIONS (SYSTEMIC LEVEL)

The examined case of the peasant farm “Ashamay” illustrates a typical model of institutional risk in which:

- the mechanism of alienation “for state needs” is in practice implemented through civil-law forms;
- disputes over will and signature do not receive full judicial examination;
- violations of the sequence “valuation → transaction → payment → transfer of title” do not entail legal consequences;

– judicial control shifts from substantive law to procedural formalism.

Taken together, this creates the effect of administrative alienation disguised as a voluntary transaction, which is incompatible with international standards of property protection and the principles of due process.

## 10. CONCLUSION

The report establishes that, notwithstanding the declared objective of “restoring justice”, the key risk remains the conflation of legal regimes and the weakening of judicial control over the alienation of property for state needs. The case of the peasant farm “Ashamay” is used exclusively as an illustration of a systemic mechanism, rather than as an isolated incident.

## 11. RECOMMENDATIONS

- institutional separation of asset recovery and alienation for state needs;
- mandatory judicial handwriting examination in any case where the manifestation of will is challenged;
- strict observance of the principle of payment of compensation prior to the transfer of title;
- expansion of the standard of cassation review in cases involving alienation of property;
- documentation of such cases within international analytical and human rights mechanisms.

## 12. SOURCES

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