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## PROPERTY ADMINISTRATION ON THE BASIS OF CONDOMINIUM INSTITUTION IN THE REPUBLIC OF KAZAKHSTAN

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*Features of management by the real estate on the basis of Condominium in Republic Kazakhstan are presented.* 

In Kazakhstan the amount of multifunctional buildings, which are in the ownership of several subjects of civil law, increases. Two or more proprietors can own both a small office and a whole storey. Thereupon the issue of joint property administration is still urgent concerning such buildings. The Condominium institution is to manage procedures of building, upkeep, repair and to assign the measure and the way of participation of each owner.

Let's consider the specifics and scopes of using the Condominium institution in the Republic of Kazakhstan as regards residential houses, non-residential stock and in case of placement both residential and non-residential spaces in one building.

According to the the Law of the Republic of Kazakhstan "About the housing relations" a Condominium is formed in case of presents of two or more owners of a Residential house. Formation of a Condominium (not a common property but a Condominium precisely) is implied regardless of its registration. According to that legal relationship within the Housing stock Condominium are considered to be set in spite of the absence of its registration and that means that the partners have certain rights and charges.

That rule doesn't hold as it concerns Non-residential stock Condominiums. An owner of a space in an office building (and his visitors as well) a priori uses other units of the Condominium such as foyer, lobby, lifts, utility lines. So it's justly for that owner to bear expenses to upkeep the common property – the Condominium, in proportion to the owner's share in the real property. That is why formation of a Condominium is an urgent issue for non-residential stock as well.

The multifunctional usage of a building implies placement both residential flats and apartments and non-residential spaces (offices, hotel rooms, cafés, restaurants etc.) that has common utility lines in one building.

So is there any difference between a Condominium in a Housing and Non-residential stock according to the legislation of the Republic of Kazakhstan? At first it seems that there is no difference. Let's refer to the terminology fixed by Civil Code of the Republic of Kazakhstan. According to p. 6 Article 209 CC RK [2]: "The ownership of a real property can be fixed as a Condominium where each subject or juridical entity owns a single part of the property, the rest of the property belongs to the owners of the share as an ownership in common".

It is clear from the above that there is no difference between Housing and Non-residential stock according to the Civil Code of the Republic of Kazakhstan.

Condominium is referred to a common property as an ownership in common and can be governed according to the norms of Chapter 11 "Common property" CC RK [2].

Condominium has following sings and features:

- Assets may be in common ownership with the determination of the share of each of the owners;

- Common ownership shall emerge when two or several persons receive the property which may not be divided without changing its designation (indivisible items), or may not be divided by virtue of law;

- Common ownership of indivisible assets shall emerge in the cases which are stipulated in legislative acts or an agreement;

- Estate are in individual (separate) ownership of citizens and (or) legal entities, and those parts of real estate which are not in separate ownership, shall belong to the owners of parts of real estate under the right of common shared ownership;

- By agreement of the participants of common property, and in the case of failure to reach consensus, upon the decision of a court, shared ownership of the entities may be established with regard to the common property;

- The share of each owner in the common property shall be inseparable from his separate ownership of a part of real estate belonging to him;

- The size of a share of each owner in the common property, and the degree of participation in costs of its maintenance, shall be related to the size of the parts of real estate which are in individual (separate) ownership, unless it is otherwise stipulated in legislative acts or an agreement;

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- Each participant in shared ownership shall be obliged to participate in the payment of taxes, levies and any other payments in respect of their common property in proportion to his share, and also in the costs of its maintenance and preservation.

The housing legislation of the Republic of Kazakhstan prescribes a set of rules which make the Condominium institution convenient only for the Housing stock. For example the owners of premises share the land according to the rights of common ownership or land tenure. The share of each owner in the common property shall be inseparable from his separate ownership of a part of real estate belonging to him. The size of a share of each owner in the common property, and the degree of participation in costs of its maintenance, shall be related to the size of the parts of real estate which are in individual (separate) ownership, unless it is otherwise stipulated in legislative acts or an agreement. Special considerations in the legal regime of different types of condominium may be defined in legislative acts.

A Condominium can be cancelled if one owner (individual, juridical person or state) get property rights to all the premises and common property of a residential building or in case of government takeover or in case of damage (destruction) of major part of a building because of an incident.

A state control structure is created to control Condominium Object and to provide the information about the movement of money from a bank account, funds for maintenance of housing building (residential building ) at the request of the owners .

Owners of the premises (apartments) required to make monthly instalments to the savings bank account of the condominium control structure to accumulate funds for the overhaul of the common property of condominium object. The amount of an instalment should be determined at a meeting of owners of premises (apartments), but it must be 0.02 times exceed the monthly calculated index established in the law on the national budget for the relevant financial year, meant for a square meter of usable area of residential (non-residential) premises.

Separate premises belonging to several owners, corresponds to a share in the common property of owners with joint and several liability in general guidelines. Relationship between such owners is governed by an agreement between them. In the case of absence of an oral or written agreement, each of the owners has an equal undivided rights and obligations conditioned by ownership of a specified share in the common property.

If an owner resides elsewhere or the transfers his rights to use the premises to another person, it doesn't lead to the restrictions of the owner's rights and doesn't relieve him of his duties imposed by law, owner's agreement or charter of owners association of condominium object management.

Owners of the premises (apartments) have the right to use their shares of common property of the limited use on terms prescribed by the agreement of owners of premises (apartments). Owners of the premises (apartments) are required to participate in all the cost of maintaining the common property and homes, take a response for the safety and safe maintenance of the common property and premises located in an individual (separate) property.

The costs for the maintenance of common property are set in proportion to the share owner of the premises (apartments) in the common property, unless the diverse is agreed by the owners.

A tenant (lessee) of a premises, as well as other persons who are not the owners (other rightholders) or their representatives, have no voting rights and cannot otherwise participate in the management of condominium object, but they must observe the rules that are common to all tenants and occupants (lessees) of the condominium housing.

An owner of a non-residential premises cannot participate in consideration of condominium matters which do not affect his interests. Other owners cannot participate in consideration of matters which affecting the interests of the owner of a non-residential premises only. Exceptions are issues regarding the use of common property.

If the owner of the premises (apartment) damages any part of the common property or any other premises, he must repair the damage at his own expense or to compensate the costs of fixing it. People living or using a room or space and causing the damage have the same duty as the owner.

Renovation of premises by the owner, including residing and renovation, connected with execution of works that threaten to the common property or impair it, is prohibited. Changing the boundaries between neighbouring (adjacent) rooms can be made in case of mutual agreement between the owners of these premises. Changing the location of the boundaries between premises and a common property can be made only by approbation of the other owners and the condominium governing structure.

In addition to the features above, the Law of the Republic of Kazakhstan "About the housing relations" describes owners' responsibility for payment delay, also it describes in detail privileges and precedence rules of the structure authorized to manage the condominium facilities, as well as the procedure of its appointment and other shades.

According to the "Regulations for the state registration of the condominium" [3] approved by Order of the Ministry of Justice of the Republic of Kazakhstan dated August 24, 2007 N 241, condominium object should be registered as a single complex in accordance with the law of rights' registration of the immovable property in the local institution of justice which execute public registration at the situation of the real estate object.

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The text of the Regulations contains many references to the housing legislation, living area and so on. Accordingly, it is possible to take the risk to register a condominium object in non-residential stock by the mentioned Regulation.

Thus, the Legislation of the Republic of Kazakhstan has established the concept of condominium, referred it to the joint property in the form of common ownership, added a possibility to register the condominium as for Housing and Non-residential stock (yet this opportunity is problematic for the latter) and stopped at a detailed settlement of relations only in the residential sector by the Law "About the housing relations".

What to do with condominiums in non-residential stock? The earlier owner enforces this issue, the more likely to build a condominium management system in the most optimal manner. In this case, the primary owner's intent to manage as he pleases is excluded. The main thing is to make this structure more stable, legitimate and less a subject to criticise.

An owner (developer) should worry about it in advance. As early as the project is designed, registered, the land is shared the following must be properly taken into account:

- the location of the neighbouring areas which are planned to be built and the location of existing buildings;

- how to divide the plot concerning to a building on the same area;

- whether to apply an easement in reference to the land and parts of buildings;

- what exactly will be included in a condominium in each building (in a part of a premise) – it will also help to calculate the cost of the project and future payments for services;

- which system is better to transfer the management of public services, and which divide the entrances,

- separate buildings, etc.

But how to act if the problem of condominium object management in Non-residential stock have to be solved immediately because the building is already built and all documents have been drawn without these details?

According to the civil law in Kazakhstan, the most obvious solution would be to set a contract between the existing owners. The terms of such agreement, the parties may prescribe in detail and as much detail as they deem necessary. But, we must remember that the resulting "Condominium contract" (or whatever it is named), may not be registered with the authorized state structures. Lawyers have to take some tricks within legal boundaries in order to register such an agreement. That means, they take all existing forms and create their form of "Condominium contract".

In spite of Condominium forms of contracts such agreement may be terminated or declared invalid, or not signed, because this is a "contract".

To solve the issue of common property management in Non-residential multifunctional building, can be considered the following possible forms: contractual relations, the creation of commercial and non-profit entities in the transfer of management of foreign funds, etc. These options have their advantages and disadvantages. And in each case should be an option that minimizes the disadvantages and will ensure the interests of owners.

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# THE MODELING OF THE LOGISTICS BUSINESS PROCESSES AND ITS IMPORTANCE FOR AN ENTERPRISE

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The relevance of this research is determined by the fact that the modern enterprises are forced to be constantly engaged in the improvement of the activity. This requires the development of new technologies and techniques of business dealing and, of course, introduction of new methods of the management, promoting more effective planning and the organization of activity of the enterprises. Having the model of the business operation, all its logistical business processes focused on achievement of a specific goal, it is possible to reveal the possibility of its enhancement and provision of its competitiveness. Analysis of an enterprise as a model is a convenient way to answer the question of what is necessary and sufficient to achieve the specific objective.