



## **Budget Code of the Republic of Kazakhstan**

### *Unofficial translation*

Code of the Republic of Kazakhstan dated 4 December, 2008 No. 95-IV.

#### *Unofficial translation*

**Footnote.** The table of contents is excluded by the Law of the Republic of Kazakhstan dated 30.06.2021 No. 60-VII (effective ten calendar days after the date of its first official publication).

**Footnote.** Throughout the text, the words “aul (village)”, “aul (rural)”, “aul (rural)”, “auls (villages)”, “aul (rural)” are replaced by the words “village”, “rural”, “rural”, “villages”, “rural” in accordance with the Law of the Republic of Kazakhstan dated 03.07.2013, № 121-V (see the old. ed.).

This Code regulates budget, intergovernmental fiscal relations, set out the main provisions, principles and mechanisms of the budget system, the formation and use of budget funds, as well as the formation and use of the National Fund of the Republic of Kazakhstan.

## **GENERAL PART**

### **Section 1. BUDGET SYSTEM**

#### **Chapter 1. GENERAL PROVISIONS**

#### **Article 1. Budget legislation of the Republic of Kazakhstan**

1. Budget legislation of the Republic of Kazakhstan is based on the Constitution of the Republic of Kazakhstan and consists of this Code and other regulatory legal acts, adoption of which is provided by this Code.

Judicial system financing aspects are regulated by the Constitutional Law of the Republic of Kazakhstan On the Judicial System and the Status of Judges of the Republic of Kazakhstan

2. If the international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Code, the rules of the international treaty shall apply.

**Footnote.** Article 1 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 83-VII (shall be enforced from 01.01.2022).

#### **Article 2. Effect of the budget legislation of the Republic of Kazakhstan**

1. Budget legislation of the Republic of Kazakhstan shall be effective throughout the territory of the Republic of Kazakhstan and shall apply to all individuals and legal entities.

2. The provisions of this Code relating to the public institutions shall not apply to the National Bank of the Republic of Kazakhstan and the public institutions, financed from the

budget (expenditure) of the National Bank of the Republic of Kazakhstan, exception of cases provided for in this Code.

2-1. The provisions of this Code shall apply to the financing of the judiciary system in the part not regulated by the Constitutional Law of the Republic of Kazakhstan On the Judicial System and the Status of Judges of the Republic of Kazakhstan.

3. The acts of the Government of the Republic of Kazakhstan and local executive bodies on the distribution of money, respectively, from republican and local budgets for the next financial year become inoperative after the end of the corresponding financial year, except for the provisions of these acts on allocation of money on a repayment basis.

The effect of application to the Law on the republican budget (maslikhat decision on the local budget) in the second and third years of the planning period shall become inoperative with the enactment of the Law on the republican budget (maslikhat decisions on the local budget) for the next planning period.

4. The Law on the republican budget, the decision of the maslikhat on local budgets, the acts of the Government of the Republic of Kazakhstan and local executive bodies on their implementation, as well as the regulatory legal acts on amendments and supplements thereto shall be enforced from 1 January of the corresponding financial year.

**Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 20.12.2021 № 83-VII (shall be enforced from 01.01.2022).**

### **Article 3. The basic definitions used in this Code**

1. The following basic definitions are used in this Code:

1) The aval—a promissory note guarantee, in which a person, committing it, shall assume an obligation for effecting a payment on a promissory note (in full or in part) for any person, who is liable for the bill;

2) untied grants – the grants, that do not include further borrowing by the Government of the Republic of Kazakhstan from the donor, which has provided a grant or co-financing from the republican and local budgets;

3) tied grants –the grants, that include further borrowing by the Government of the Republic of Kazakhstan from the donor, which has provided a grant or co-financing from the republican and local budgets within the relevant budgetary program, aimed at implementation of the tied grant;

4) an agreement on the tied grant - an agreement between the government and the donor, providing for free financial or technical assistance to the Republic of Kazakhstan;

**5) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 393-V ( shall be enforced upon expiry of ten calendar days after its first official publication);**

6) the guarantee of a bank - the bank’s obligation to the central authorized body for the implementation of the budget on the repayment of the debt under the state-guaranteed loans,

in the case of the borrower's failure to provide the accumulation, owed from him (her) in the amount of the loan agreement, in the manner and within the timeframe, established by the agreement on the provision of public guarantees;

7) an approved budget - the budget, approved by the Parliament of the Republic of Kazakhstan or by the relevant maslikhat;

7-1) forward-looking consolidated financial statements - information on the financial position, movement and results of net assets, liabilities, income and expenses on an accrual basis, linked to macroeconomic indicators, formed on the basis of budgetary and financial statements;

8) a debt service – the aggregate payment, in a specific period of time, of the remuneration, commission fees, fines and other payments following from the borrowing conditions;

9) a monitoring of debt – activities of the state implemented by its authorized agencies for accounting, analysis and control over the process of formation, change, and debt service;

10) repayment of debt – a repayment of the received amount of the loan by the borrower in the order, established by the loan agreement and performance of other obligations under the loan agreement;

11) is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 № 393-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

11-1) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

12) budget - a centralized fund of the state, intended to financial provision of the implementation of its tasks and functions;

12-1) budget system - set of budgets and the National Fund of the Republic of Kazakhstan , as well as the budget process and relations;

12-2) budget funds - money and other assets of the state, enrolling in state ownership and expenditure of which is reflected in the budget in the form of money;

12-3 ) recipients of budget funds - individuals and legal entities, receiving budget funds through the administrator of the budget programs and using them as part of the budget programs;

12-4) non-disbursement of budget funds – formed on the results of accounting period, the amount of excess of the financing plan for payments over the paid obligations under the budget program, except for budget savings, unallocated balance of reserves of the Government of the Republic of Kazakhstan and local executive bodies, notionally financed expenses, as well as the amount of return of targeted transfers for the development, allocated in the past financial year, allowed to use by the decision of the Government of the Republic of Kazakhstan or local executive bodies;

12-5) non-disbursement of budgetary funds - the amount of the excess of the financing plan on payments over the paid obligations under the budget program, formed as of the

reporting period end, with the exception of savings in budgetary funds, the unallocated balance of the reserve for the initiatives of the President of the Republic of Kazakhstan, the reserves of the Government of the Republic of Kazakhstan and local executive bodies, as well as the amount of return of targeted transfers for development allocated in the past financial year, allowed to be additionally used by decision of the Government of the Republic of Kazakhstan or local executive bodies;

12-6) integrator in the field of budget process - a legal entity, the only shareholder of which shall be a state, determined by the central authorized body for budget execution, which is entrusted with functions to ensure the automation of budget process, as well as other functions provided by this Code;

12-7) integrator in the field of the budget process - a legal entity, the sole shareholder of which is the state, determined by the central authorized body for budget execution, which is entrusted with the functions of ensuring the automation of the budget process, as well as other functions provided for by this Code;

13) local authorized body for implementation of the budget - the executive body, financed from the local budget, carrying out functions in the area of budget execution, accounting, budgetary accounting and budgetary reporting on the implementation of the local budget;

14) a central authorized body for budget execution – the central executive body, carrying out the management and inter-sectoral coordination in the field of budget execution, accounting, budgetary accounting and budgetary reporting on the execution of the republican budget and, within its competence, the local budgets, the victims compensation Fund, the National Fund of the Republic of Kazakhstan on the basis of the report of the National Bank of the Republic of Kazakhstan;

14-1) is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

14-2) ineffective execution of budget programs - expenditure of budget funds that does not meet the following principles of the budget system: effectiveness, validity, efficiency, responsibility, targeting and target nature of budget funds;

15) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

15-1) central authorized body for budget planning - central executive body, providing management and - intersectoral coordination in the area of budget planning;

16) budget investments - financing from the republican or local budget, aimed at creating and (or) developing state assets through the implementation of budget investment projects, as well as formation and (or) increasing the authorized capital of legal entities, with the exception of assets, directed at taking operational measures to ensure socio-economic stability

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**Note!**

**Amendments to subparagraph 17) shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

17) budget investment project - a set of measures aimed at creation (construction) of new or reconstruction of existing facilities, and also creation and development of informatization objects, with the exception of informatization objects intended for the implementation of tasks purposed to ensure the activities of the President of the Republic of Kazakhstan, as well as informatization objects of special state bodies implemented at the expense of budgetary funds directly by the budget program administrator for a certain period of time and having a completed character, by the directorate for the implementation of a pilot national project in education for a certain period of time and having a completed character;

17-1) economic opinion on the budget investment project - the conclusion of the central or local authorized state planning body on the economic feasibility of the budget investment project, its impact on the country's economy and compliance with the State Planning System documents, based on the conclusion of the economic expertise of the feasibility study of the budget investment project;

17-2) economic examination of the feasibility study of the budget investment project - a comprehensive assessment of the information, provided in the feasibility study, on the determination of the feasibility and effectiveness of the project, carried out on the advice of industry expertise and other requirements in accordance with the budget legislation of the Republic of Kazakhstan on the conclusion of examinations;

18) a fiscal capacity - the cost of public services per unit of the recipients of the services, to be provided at the expense of the respective budgets;

**19) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);**

**20) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);**

21) budget relations – relations, arising in the budget process;

22) budget transactions – transactions, carried out during the execution of the budget;

**23) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);**

24) a grant –free financial or technical assistance, provided to the state organizations of the Republic of Kazakhstan by donors;

25) donors - foreign countries, their governments and agencies, international and foreign government agencies, and foreign non-governmental public organizations and foundations, which activities are not contrary to the Constitution of the Republic of Kazakhstan;

26) a financial year - the year, preceding the current financial year of the planning period;

26-1) limit of the debt of local executive body - the fixed amount of loans received and outstanding by the local executive body, established by the central authorized body on state

planning for the local executive bodies of the region, the city of the republican significance, for the relevant financial year, which should not exceed the actual debt of the local executive on the given date (at the end of the corresponding financial year);

27) the debt of the local executive body - the amount of received and outstanding loans of the local executive body for a certain date;

28) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

29) a planning period - three financial years, following the current financial year;

29-1) economic opinion on budget investments through the state participation in the authorized capital of legal entities - the conclusion of the authorized central or local state planning body on the economic feasibility of budget investments, their impact on the country's economy and compliance with the State Planning System documents, prepared on the basis of conclusions of economic expertise of the financial and economic feasibility of budget investments through the state participation in the authorized capital of legal entities;

29-2) economic examination of financial and economic feasibility of budget investments through the state participation in the authorized capital of legal entities - a comprehensive assessment of the information, provided in the financial feasibility study for compliance of activities with the criteria of validity and effectiveness, conducted on the advice of industry expertise and other examination reports, required in accordance with the budget legislation of the Republic of Kazakhstan;

29-3) budget investment by forming and (or) increasing the authorized capital of a legal entity - the implementation of activities aimed at the development of a legal entity through the formation and (or) an increase in its authorized capital from the state or local budget;

30) investment proposal - a conceptual proposal substantiating feasibility of the state investment projects within the implementation of the State Planning System documents, annual state-of-the-nation Addresses of the President of the Republic of Kazakhstan and instructions of the President of the Republic of Kazakhstan, reflecting the purpose of investment, ways to achieve it and possible ways of financing, including a set of relevant measures developed by budget programs administrators;

30-1) economic opinion on the investment proposal - the conclusion of the central or local authorized body for state planning on the economic feasibility of implementation of the investment project, contained in the investment proposal as a budget investment project, the compliance of the objectives of the project with the development priorities of the (sector) economy industry, established by the strategic and (or) policy documents;

30-2) institutional project - a set of activities, aimed at institutional development of the branch (sphere), implemented directly by the budget program administrator for a certain period of time, having a completed character and financed through public borrowing with conclusion of a loan agreement;

31) subjects of the quasi-public sector - state enterprises, limited liability partnerships, joint-stock companies, including national managing holdings, national holdings, national companies, the founder, participant or shareholder of which is the state, as well as subsidiaries, affiliates and other legal entities that are affiliated with them in accordance with the legislative acts of the Republic of Kazakhstan;

32) the next financial year - the year following the current financial year;

33) a counter party – a party of the transaction for hedging the government loans, concluded with the authorized body for the implementation of the budget;

33-1) concession project - a set of measures to implement the concession sold for a limited period of time and having a complete character, according to the budget legislation of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan “On concessions”;

34) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

35) standard of income distribution - the percentage of distribution of income between budgets of different levels;

36) residents of the Republic of Kazakhstan - legal entities, established in accordance with the legislation of the Republic of Kazakhstan and located in the Republic of Kazakhstan, as well as their branches and representative offices, also located in the Republic of Kazakhstan and (or) outside of it;

36-1) treasury support – an activity on carrying out of current control over the targeted use of funds, allocated for implementation of budget investment projects related to construction, ensuring the completeness of payment of taxes and other payments to the budget by the participants in implementation of budget investment project - by the general contractor and subcontractor at all stages of making payments through cash reconciliation accounts;

37) a financial agency - the national holding company and legal entities, one hundred percent of shares of which are owned by a national management holding company, as well as a bank or organization which is fully owned by the state, carrying out certain types of banking operations, authorized in accordance with the legislation of the Republic of Kazakhstan, for the implementation of the state’s investment policy in certain sectors of the economy and the implementation of the borrowings in the financial market of the Republic of Kazakhstan and ( or) on the international financial markets for these purposes;

38) financial year - the period beginning from January 1 and ending on December 31 of the calendar year, during which the implementation of the budget is carried out;

39) financing - allocation of budget funds to the beneficiaries;

40) financial reporting - information on financial position, financial results of activity and changes in financial position of objects of state audit and financial control, forms and amounts of which shall be determined by the central authorized body for budget execution, unless otherwise stipulated by legislative acts of the Republic of Kazakhstan;

41) borrowing - a process that includes decision making procedures on the need to raise debt funds, determining the procedure and conditions for attracting, using, repaying and servicing a loan, negotiating procedures, securing and guaranteeing the fulfillment of obligations, drawing up and signing relevant loan documents, ratifying a loan agreement (in state external borrowing, with the exception of external borrowing by a local executive body of a city of republican scale with a special status determined by a legislative act of the Republic of Kazakhstan), receipt, use of loan funds, including procedures for accounting, control and analysis of the fulfillment of obligations by the parties;

42) a money - lender – a person, lending governmental or non-governmental loan under the state guarantee or surety of the state, or a representative of the holders of infrastructure bonds;

42-1) loan servicing - activity of central or local authorized body for execution of the budget or the bank for recording the use of loan funds on the borrower's accounts and for the borrower to make payments of fees, commissions and other payments in accordance with the terms of the loan;

42-2) loan restructuring - changing the terms agreed by the parties, financial and other conditions for the execution of their obligations under the loan agreement;

43) a loan agreement - an agreement, under which the borrower receives the loan and is obliged to return them to the lender and pay compensation, as well as other fees, related to the loan;

43-1) the standard for directing funds to environmental protection measures - the share of income from payments for negative environmental impact directed to environmental protection measures in accordance with the Environmental Code of the Republic of Kazakhstan;

44) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

45) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

46) state assets – property and non-property benefits and rights, which have valuation base and obtained in state ownership as a result of past transactions or events;

47) a loan, attracted under surety of the state - non-government loan, implementing by issuing the infrastructure bonds;

48) a debt under the surety of the state - the amount on a certain date of the received and outstanding amount of non-government loans under the surety of the state;

49) a limit on the provision of the state guarantees - a fixed amount, sanctioned by the Law on the republican budget for the corresponding financial year within which guarantees of the state may be issued;

50) government-backed debt - the amount on a certain date of the received and outstanding amount of non-government loans, which are secured by the state guarantees;

51) state-guaranteed loan – a private loan secured by the state guarantees;

52) refinancing of the state debt – a redemption of the state debt at the expense of new borrowings;

53) a non-government debt - loan relations, in which the borrower is a resident of the Republic of Kazakhstan, with the exception of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and local executive bodies;

53-1) state obligations for public-private partnership projects - the aggregate of rights and obligations of the state partner for the amount, allocated from the state budget for a certain date of financial obligations accepted and not fulfilled by the state partner under the concluded public-private partnership agreements;

53-2) the project of public-private partnership - a set of successive measures for implementation of public-private partnerships, implemented for a limited period of time and having a completed character in accordance with the budget legislation of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan on Public-Private Partnerships;

54) local authorized body for state planning - the executive body, financed from the local budget, carrying out functions in the field of strategic, economic and budget planning in the respective administrative-territorial unit;

55) the central authorized state planning body - the central executive body that exercises management and cross-sectoral coordination in economic planning, development and formation of budgetary policy, as well as formation and implementation of state policy in regional development;

56) a limit on the provision of state guarantees - a fixed amount, approved by the Law on the republican budget for the corresponding financial year, within which state guarantees may be issued;

56-1) state concession liabilities - a set of rights and obligations of the grantor on the amount, received on a certain date and unfulfilled by the grantor the financial obligations under the concession contracts;

**56-2) is excluded by the Law of the Republic of Kazakhstan № 393-V dated 12.11.2015 (shall be enforced upon expiry of ten calendar days after its first official publication);**

57) state loan - loan relations, in which the borrower shall be the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan or local executive bodies. For the purposes of this Code, attraction of Islamic finance through the issuance and placement of state Islamic securities, issued by the state Islamic special financial company shall be considered as a state loan and be carried out, taking into account the specifics established by this Code, other laws of the Republic of Kazakhstan, as well as the terms of issuance of state Islamic securities;

57-1) state investment project - a set of measures aimed at achieving the strategic goals of the state through carrying out of budget investments and implementation of public-private partnership projects, including concession projects;

58) state issued security - an issuing security, certifying the rights of its holder in respect of a loan in which the borrower is the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and local executive bodies or certifying the rights of its holder to receive income from the use of assets on the basis of an agreement lease ;

59) an offering of state equity securities - alienation of state equity securities of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and the local executive bodies through the conclusion of the first owners of civil transactions;

60) a revised budget –the approved budget with changes and amendments, adopted by the Parliament of the Republic of Kazakhstan or by the relevant maslikhat during its implementation;

61) performance indicators - a set of target indicators, direct and final results characterizing the state body's activities for the implementation of the development plan of the state body, development plans for the region, city of republican status, the capital and (or) budget programs;

62) the principal amount of a loan - repayable amount of received and not returned loan to the lender, excluding accrued interest amounts on it, a forfeit (fine, penalty);

62-1) target indicator - an indicator quantifying the achievement of the goal of the state body's development plan or the development plan of the region, city of republican status, the capital;

62-2) target requirements – obligations of the Government of the Republic of Kazakhstan to citizens of the Republic of Kazakhstan under the age of eighteen, formed annually at the expense of fifty percent of the average investment income of the National Fund of the Republic of Kazakhstan for eighteen years preceding the reporting year, and the average investment income for eighteen years preceding the reporting year, annually accrued for this amount;

62-3) mutually repayable transactions – transactions carried out during the formation of the state budget, the budget of the region and the district (city of regional significance), as well as reports on their execution, related to the exclusion of amounts of transfers, budget loans and other money transferred from one level of the budget to another, in order to eliminate double calculation;

62-4) the tax potential of the region - the maximum possible amount of tax receipts and other mandatory payments to the budget, calculated to determine the volume of revenues of the region when setting the size of transfers of a general nature for a three-year period;

63) free financial aid –provision of money to the state organizations of the Republic of Kazakhstan for financing the supply of goods, works and services by donors;

64) free technical assistance –performance or organization of the supply of goods, works and services to the state organizations of the Republic of Kazakhstan by donors;

65) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

66) an insurance contract - the contract, providing the obligation of the insurance organization to the central authorized body for the implementation of the budget for compensation of the damages, resulting from the diversion of funds from the republican budget for the performance of obligations under the securities of the state or state guarantees;

67) a non-fixed (floating) interest rate - the interest rate on credits, loans or income from securities with compensation, which is subject to changes depending on the market conditions ;

68) external loan - loan relations in which the lender is a non-resident of the Republic of Kazakhstan, and the borrower is the Government of the Republic of Kazakhstan, a local executive body of a city of republican scale with a special status determined by a legislative act of the Republic of Kazakhstan, or a resident of the Republic of Kazakhstan;

68-1) Excluded by the Law of the Republic of Kazakhstan dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).

69) a direct result - a quantitative characterization of the scope of government functions, authorities and public services within the established budget funds, the achievement of which depends entirely on the activities of the organization, performing these functions, authorities and services;

70) end result - an indicator of the budget program that quantifies the achievement of the goal of the state body's development plan, the development plan of the region, the city of republican status, the capital and (or) the budget program, due to the achievement of direct results of the state body's activity;

71) a government debt - the amount of received and not repaid government loans by the Government of the Republic of Kazakhstan and classified in accordance with the legislative acts of the Republic of Kazakhstan as the debt of the Government of the Republic of Kazakhstan, the debt obligations on a certain date;

72) a limit of government debt - a fixed amount of the received and outstanding amount of government loans, approved by the Law on the republican budget to the corresponding financial year, which shall not exceed the actual debt of the Government of the Republic of Kazakhstan on a given date (the end of the corresponding financial year);

73) hedging of government loans - a settlement of transaction with financial instruments between the authorized body for budget execution and counterparty in order to manage risk ( currency, interest rate and other) of governmental borrowing;

73-1) limit on provision of state guarantees of the Republic of Kazakhstan on export support – a fixed amount for the corresponding financial year, approved by the Law on the republican budget, within which state guarantees of the Republic of Kazakhstan on export support can be issued;

73-2) state-guaranteed obligation to support exports - the amount as of a certain date of outstanding obligations under insurance contracts and guarantees secured by the state guarantee of the Republic of Kazakhstan for export support, for which the Export Credit Agency of Kazakhstan has not made insurance and guarantee payments;

74) a domestic loan - loan relations in which the lender is a resident of the Republic of Kazakhstan, and the borrower is the Government of the Republic of Kazakhstan, local executive body or a resident of the Republic of Kazakhstan.

2. Other terms of the budget legislation of the Republic of Kazakhstan which are not mentioned in this Article are used in the meanings, defined in the relevant Articles of this Code.

Terms of other branches of the legislation of the Republic of Kazakhstan, used in this Code shall be applied in the meaning, in which they are used in the relevant areas of legislation of the Republic of Kazakhstan, unless otherwise provided in this Code.

In case of discrepancy of the definitions of the budget legislation of the Republic of Kazakhstan with the definitions of other branches of legislation of the Republic of Kazakhstan, the concepts of the budget legislation of the Republic of Kazakhstan shall be used in relation to budget relations.

**Footnote. Article 3, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dd. 19.01.2011 No. 395-IV ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 22.07.2011 No. 475-IV (shall be enforced from the date of its first official publication); dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2011 No. 524 -IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 15.06.2015 № 322-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 12.11.2015 No. 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 07.04.2016 № 487-V (shall be enforced from the date of signing); dated 27.02.2017 № 49-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 90-VI (**

shall be enforced upon expiry of ten calendar days after its first official publication); № 112-VI of 30.11.2017 (see art. 2 for the enactment procedure); dated 28.12.2017 № 128-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 18.03.2019 No. 237-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI of 27.12.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI ( see Article 2 for the procedure for enactment ) ; dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 No. 40-VIII (effective from 01.01.2024); dated 23.01.2024 No. 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

#### **Article 4. The principles of the budget system of the Republic of Kazakhstan**

The budget system of the Republic of Kazakhstan shall be based on the following principles:

1) the principle of unity - the application of unified principles of organization and functioning of the budget system, use of a single budget classification, unified procedures and technical decisions of the budget process in the Republic of Kazakhstan;

2) the principle of completeness - reflection in the budget and the National Fund of the Republic of Kazakhstan of all the revenues and expenses, provided by the legislation of the Republic of Kazakhstan, and avoiding offset of mutual claims with using the budget funds, as well as assignments of claims on the budget funds;

3) the principle of realism - conformity of the approved (revised, adjusted) budget indicators to the approved (revised, adjusted) parameters, directions of socio-economic development forecasts, national projects, development plans of state bodies, development plans of the region, the city of republican status, the capital;

4) the principle of transparency - mandatory publication of regulatory legal acts in budgetary legislation of the Republic of Kazakhstan, approved (revised, adjusted) budgets and reports on their execution, civil budget, development plans of state bodies and reports on their performance, a report on the formation and use of the National Fund of the Republic of Kazakhstan, with the exception of information constituting a state or other secret protected by law, as well as the mandatory openness of the budget process for society and the media;

5) the principle of consistency – compliance with the earlier decisions in the field of budgetary relations by the state bodies;

6) the principle of consequentialism - development and execution of a budget focused on the implementation of national projects, achievement of the performance indicators provided for by the development plans of state bodies, development plans of the region, city of republican status, the capital and (or) budget programs of state bodies;

7) the principle of independence of the budget - the establishment of a stable distribution of revenues between the various budgets and determination of areas of their spending in accordance with this Code, the right of all levels of state administration to independently carrying out the budget process in accordance with this Code, the inadmissibility of seizure of proceeds, additionally received in the implementation of local budgets and surpluses of local budgets to higher budgets, the inadmissibility of laying on the lower budgets, additional costs without their corresponding recovery;

8) the principle of continuity – planning of the republican and local budgets, based on the forecasts of social and economic development, basic expenses, approved in previous periods, the results of budget monitoring, and evaluation of results;

9) the principle of reasonableness – planning of budget on the basis of regulatory legal acts and other documents, defining the need to include a budget project of some income and expenditure and the relevance of their size, and using of the budget funds and state assets in accordance with the legislation of the Republic of Kazakhstan;

10) the principle of timeliness – crediting receipts to the republican and local budgets, to the cash control account of the National Fund of the Republic of Kazakhstan and transferring them to the Government accounts in the National Bank of the Republic of Kazakhstan, to the victims compensation Fund, the education infrastructure support Fund, a Special state fund, crediting and distributing receipts to the budgets of states – members of the Eurasian Economic Union, acceptance of obligations by state institutions in accordance with individual financing plans for obligations, making payments in accordance with individual financing plans for payments and transferring budget funds to the accounts of recipients of budget funds within the time limits in accordance with the procedure established by the relevant regulatory legal acts of the Republic of Kazakhstan;

11) the principle of cash unity - transfer of all budget revenues to the single treasury account and execution of all expenses from a single treasury account in national currency;

12) the principle of efficiency - the development and implementation of the budget, based on the need to achieve the best direct and final result using the approved amount of budget funds or to achieve a direct and final result using a smaller amount of budget funds;

13) the principle of responsibility - taking the necessary administrative and management decisions, aimed at achieving the direct and final results, and ensuring the responsibility of managers of budgetary programs and heads of state institutions and quasi-public sector entities for making decisions, unconformable to the legislation of the Republic of Kazakhstan;

14) the principle of targeting and purpose orientation of budgetary funds - direction and use of budgetary funds by budget programs administrators, subjects of the quasi-public sector

for the implementation of national projects, achievement of the performance indicators provided for by the development plans of state bodies, development plans of the region, the city of republican status, the capital and (or) budget programs of state bodies, financial feasibility studies for budget investments, through participation in the authorized capital of quasi-public sector subjects in compliance with the legislation of the Republic of Kazakhstan.

**Footnote. Article 4, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

#### **Article 5. Regulatory legal acts, affecting the income and expenses of the budget**

1. Drafts of laws, providing the reduction of state revenues or increase of state expenditures may be submitted to the Majilis of the Parliament of the Republic of Kazakhstan only if there is a positive conclusion of the Government of the Republic of Kazakhstan. The conclusion of the Government of the Republic of Kazakhstan on draft laws, providing reduction in revenues or an increase in the expenditures of the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan shall be formed taking into account the proposals of the Republican Budget Commission.

For the drafts of laws, submitted to the Majilis of the Parliament of the Republic of Kazakhstan as a legislative initiative of the President of the Republic of Kazakhstan, the existence of such a conclusion is not required.

Provisions of draft decrees of the President of the Republic of Kazakhstan, resolutions of the Government of the Republic of Kazakhstan, regulatory legal orders of the ministers of the Republic of Kazakhstan and other heads of central state bodies, regulatory legal resolutions of central state bodies, regulatory legal orders of the heads of departments of central state bodies having competence for approving them in regulatory legal acts of the state body, whose structure includes the department, providing for a reduction in revenues or an increase in expenditures of the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan, shall be subject to mandatory review by the Republican Budget Commission.

**2. excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);**

3. Draft decisions of the local representative bodies, providing for an increase of expenses or a decrease of incomes of local budgets may be submitted for consideration to maslikhats only in the presence of a positive conclusion of the akim.

The conclusion of the akim is formed with the proposals of the relevant budget commission.

The provisions of the draft acts of the local executive bodies, providing an increase of expenses or a decrease of incomes of local budgets shall be subjected to mandatory consideration of the relevant budget commission.

4. The provisions, specified in paragraph 3 of this Article may be put into effect not earlier than the next financial year in the presence of a positive conclusion of the akim with proposals of the relevant budget commission.

5. The provisions indicated in paragraph 4 of this article shall not apply to the decisions of maslikhats on amendments and additions to the decisions of maslikhats on the local budget, as well as to regulatory legal acts on their implementation.

6. excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

7. For the acts, specified in paragraphs 1 and 3 of this Article, providing the reduction of revenues in the form of administrative fines, penalties, sanctions, levies imposed by state institutions financed from the republican or local budgets, as well as those contained and financed from the budget (cost estimates) of the National Bank of the Republic of Kazakhstan, and (or) fines, penalties, sanctions, levies on budgetary credits (loans) issued from the budget, and other unpredictable non-tax revenues to the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan, the existence of conclusion of the corresponding budget commission is not required.

Footnote. Article 5, as amended by the Laws of the Republic of Kazakhstan dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 №. 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced from 01.01.2023).

#### **Article 5-1. Functions of the integrator in the field of budget process**

Integrator in the field of budget process shall:

1) develop technical documentation, with the exception of operational documentation, for creation and development of information systems of state bodies in the field of budget process ;

2) carry out system-technical maintenance and support of information systems of state bodies in the field of budget process;

3) carry out the management of projects for creation, development, system-technical maintenance and support of information systems of state bodies in the field of budget process;

4) provide consulting assistance to subjects of information systems of state bodies in the field of budget process;

5) ensure the compliance of information security of information systems of state bodies in the field of budget process with the requirements of the legislation of the Republic of Kazakhstan on informatization.

**Footnote. Chapter 1 is supplemented by Article 5-1 in accordance with the Law of the Republic of Kazakhstan dated 30.11.2017 №. 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Chapter 2. TYPES AND LEVELS OF BUDGET**

### **Article 6. General provisions on the types and levels of budget**

1. The budgets of the following levels shall be approved, implemented and shall be self-sustaining in the Republic of Kazakhstan:

- 1) the republican budget;
- 2) the regional budget, budgets of the city of republican significance, the capital city;
- 3) district (city of regional significance) budget;
- 4) budgets of the city of district significance, a village, a township, a rural district.

The regional budget, the budgets of the city of the republican significance, the capital city, the district (city of regional significance) budget, the budgets of the city of district significance, a village, a township, the rural district shall be local budgets.

2. Emergency republican budget may be developed, approved and implemented in the Republic of Kazakhstan in the cases, specified in this Code.

3. State and consolidated budgets, the budget of the region, the budget of the district (city of regional significance), used as analytical information and not being a subject to approval shall be compiled in the Republic of Kazakhstan.

The State budget is the centralized monetary fund of the state, joining the republican and local budgets without inter-reimbursed transactions between them.

The consolidated budget is the centralized monetary fund of the state, which unites the republican budget, the budgets of regions, cities of republican significance, the capital, receipts and expenses of the National Fund of the Republic of Kazakhstan, receipts and payments of the victim compensation Fund, receipts and expenses of the education infrastructure support Fund, receipts and expenses of the Special state fund, receipts and expenses of the State social insurance fund, receipts and expenses of the social health insurance Fund, without taking into account the mutual transactions between them.

The budget is the centralized monetary fund, joining the regional budget, the district budgets (city of regional importance) without inter-reimbursed transactions between them.

The budget of the district (city of regional significance) shall a centralized monetary fund, uniting the regional (city of regional significance) budget, budgets of cities of district

significance, villages, townships, rural districts without taking into account the mutual-paid transactions between them.

**Footnote. Article 6 as amended by the laws of the Republic of Kazakhstan dated 02.07.2014 №. 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 №. 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

#### **Article 7. Republican budget**

1. The Republican budget is the centralized monetary fund to be formed from the proceeds, defined by this Code, and designed to financial support of the tasks and functions of the central state bodies, their subordinate state institutions, as well as the implementation of the nationwide trends of the state policy.

2. The Republican budget is to be approved by the Law of the Republic of Kazakhstan.

#### **Article 8. Regional budget, the budgets of the city of republican significance and the capital**

1. The regional budget, the budgets of the city of republican significance and the capital are the centralized monetary fund, formed from the proceeds defined by this Code, and designed to financial support of the tasks and functions of the local state bodies at the regional level, the city of republican significance and the capital, their subordinate state institutions and the implementation of state policy in the respective administrative-territorial unit.

2. Regional budgets, budgets of the cities of republican significance, the capital city shall be approved respectively by the decisions of regional maslikhats and maslikhats of the cities of republican significance, the capital city.

**Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **Article 9. The budget of the region (the city of regional significance)**

1. The budget of the district (the city of regional significance) shall be a centralized monetary fund formed at the expense of revenues determined by this Code and intended for financial support of the tasks and functions of local state bodies of the district (the city of regional significance) level, subordinate state institutions and the implementation of state policy in the relevant district (the city of regional significance).

2. The budget of the district (the city of regional significance) shall be approved by the decision of the Maslikhat of the district (the city of regional significance).

**Footnote. Article 9 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Article 9-1. Budgets of the city of district significance, a village, a township, a rural district**

1. The budget of the city of district significance, a village, a township, a rural district shall be a centralized monetary fund formed at the expense of revenues determined by this Code and intended for financial support of tasks and functions of the Akim of the city of district significance, a village, a township, a rural district, state institutions, subordinate to it and the implementation of public policy in the relevant administrative-territorial unit.

2. Budgets of the city of district significance, a village, a township, a rural district after the agreement with a local community meeting shall be approved by the decision of the Maslikhat of the district (the city of regional significance).

**Footnote. Chapter 2 is supplemented by Article 9-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall enforced upon expiry of ten calendar days after its first official publication).**

## **Article 10. Emergency state budget**

1. The emergency state budget is based on the state and local budgets and introduced in cases of emergency or martial Law in the Republic of Kazakhstan.

2. The Parliament of the Republic of Kazakhstan is immediately informed on adoption of the emergency state budget.

3. The validity of the Law on the republican budget and the decisions of maslikhats on the budgets of all levels of the local budget shall be suspended at the time of the validity of the emergency state budget.

4. The emergency state budget shall be valid during the period on which the emergency or martial Law is introduced.

Where the validity of the emergency state budget is suspended the republican and local budgets are to be clarified.

## **Chapter 3. STRUCTURE OF THE BUDGET**

### **Article 11. Receipts of the budget**

1. Budget receipts are the revenues, the repayment of budget loans, income from the sale of state assets, and loans.

2. Budget revenues are the tax, non-tax receipts, receipts from the sale of the fixed assets, income from transfers.

3. Revenues, except for the target transfers, have no intended use. New types of income may be introduced the existing ones may be cancelled with the mandatory introduction of amendments and supplements to this Code.

4. Tax revenues shall be taxes and other mandatory payments to the budget, established by the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), customs duties, customs fees, established in accordance with the

customs legislation of the Eurasian Economic Union and (or) of the Republic of Kazakhstan, as well as special, anti-dumping, countervailing duties, established in accordance with the Treaty on the Eurasian Economic Union.

Tax revenues also include advance payments made in accordance with the customs legislation of the Eurasian Economic Union and (or) of the Republic of Kazakhstan in the payment of upcoming customs duties, customs collections, taxes, special, anti-dumping, countervailing duties.

5. Non-tax revenues are mandatory, non-refundable payments to the budget established by this Code and other legislative acts of the Republic of Kazakhstan, except for those provided for by the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code), the customs legislation of the Eurasian Economic Union and (or) of the Republic of Kazakhstan, not related to proceeds from the sale of fixed capital, related grants, tourist contributions for foreigners, as well as money transferred to the budget on a gratuitous basis, except for transfers.

6. Proceeds from sale of fixed assets shall be the receipts of money to the budget:

1) from the sale of state property, assigned to the state bodies;

2) from the sale of goods of the state reserves;

3) from the sale of land plots, which are in state ownership, to private ownership or providing them to the permanent or temporary land use or implemented by other means in the manner prescribed by the Laws of the Republic of Kazakhstan and international treaties;

4) from the sale of intangible assets, owned by the state.

7. Transfer receipts are the receipts of transfers from one level of the budget to another level, from the National Fund of the Republic of Kazakhstan to the republican budget.

8. Repayment amounts of budget loans shall be revenues to the budget associated with the return of principal on the loans received from the budget, as well as requirements of the legal entities for paid state guarantees, state guarantees on export support.

9. Proceeds from the sale of state assets are the receipts of the budget from the sale of participating interests, securities of legal entities, including international organizations, which are state-owned, state institutions and state enterprises in the form of a property complex, and other state property in the operational control or management of the state enterprises.

10. Loans are receipt of the money to the budget, related to the issuance of government securities and (or) the conclusion of loan agreements.

**Footnote. Article 11, as amended by the Laws of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 30.06.2010 No. 297-IV ( shall be enforced from 01.07.2010); dated 26.12.2017 № 124-VI (shall be enforced from 01.01.2018); dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.04.2021 No. 34-VII (shall be enforced from 01.01.2022).**

**Article 12. Budget expenditures**

1. Budget expenditures are the expenses, budget credits, purchase of financial assets, and the repayment of loans.

2. Expenses are the budget funds, allocated on non-returnable basis.

3. Budget loans are the money, allocated from the budget on returnable, urgent and payment basis.

4. Purchase of financial assets is the budget funds, allocated for the purchase of the partnership interests to the state ownership and securities of legal entities, including international organizations.

5. Budgetary funds allocated for the repayment of the principal debt on internal and external loans shall be repayment of loans.

6. Growth rates of republican budget expenditures (for the planning period) are limited by the level of long-term economic growth increased by the inflation target.

The level of long-term growth is defined as the average value of the growth of real gross domestic product over the ten years preceding the planning period.

The inflation target is defined as the center of the inflation target for the planning period, established by the National Bank of the Republic of Kazakhstan.

**Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 13. Budgetary structure**

The structure of the budget consists of the following sections:

1) revenues:

tax revenues;

non-tax revenues;

proceeds from the sale of fixed assets;

transfers revenues;

2) expenses;

3) net budget crediting:

budget loans;

repayment of budget loans;

4) the balance on transactions with financial assets:

purchase of financial assets;

proceeds from the sale of state financial assets;

5) deficit (surplus) of the budget;

5-1) non-oil budget deficit (surplus);

6) financing of the budget deficit(use of surplus):

receipt of loans;

repayment of loans;

used budgetary surpluses.

**Footnote. Article 13 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);**

#### **Article 14. Non-oil deficit (profit) of the republican or state budget**

1. Non-oil deficit (profit) of the republican or state budget shall be equal to the difference between revenues to the republican or state budget, with the exception of loans receipts, transfers from the National Fund of the Republic of Kazakhstan and export customs duties on crude oil and expenditures of the republican or state budget, with the exception of repayment of loans.

The received amount with a negative sign shall be a non-oil deficit of the republican or state budget, with a positive sign - a non-oil profit of the republican or state budget.

2. The size of the non-oil deficit (profit) of the republican budget shall be approved by the Law on the republican budget.

The size of non-oil deficit (profit) of the state budget shall not be approved and be used for analytical purposes.

To reduce the dependence of budget expenditures on oil revenues, the size of the non-oil deficit in the long-term period should decrease due to the targeted development of the non-oil sector of the economy.

**Footnote. Article 14 is in the wording of the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **Article 15. Net budget credit**

Net budget credit is defined as the difference between the budget loans and the repayment of budget loans.

#### **Article 16. Balance on the transactions with financial assets**

1. Transactions with financial assets shall include:

- 1) a purchase of financial assets;
- 2) revenues from the sale of state financial assets.

2. Balance on the transactions with financial assets is determined as the difference between the purchase of financial assets and the revenues from the sale of state financial assets.

3. Purchase of financial assets and revenues from the sale of state financial assets are carried out in accordance with the regulatory legal acts of the Republic of Kazakhstan.

#### **Article 17. Deficit (surplus) of the budget**

Deficit (surplus) of the budget is equal to the difference between the income and expenses, the net budgetary crediting and the balance on transactions with financial assets.

The value, obtained with a negative sign is the deficit, and with a positive sign is the budget surplus.

## **Article 18. Financing of the budget deficit (use of surplus)**

1. Financing of the budget deficit is provided by covering the budget deficit at the expense of borrowing and used budgetary surpluses.

The amount of financing of the budget deficit is defined as the excess of the amount of loans of raised and the used budget surpluses over the capital for the repayment of loans.

The value of the financing of the budget deficit is set with the positive sign and equal to the budget deficit.

2. The use of the budget surplus is done by spending the budget surpluses, loans funds, used budget surpluses to repayment of principal debt on the loans.

The using volume of the budget surplus is defined as the excess of the amount of principal repayment on loans over the sum of received loans and used budgetary surpluses.

The value of using the budget surplus is set with negative sign and equal to the budget surplus.

## **Chapter 4. RESERVES OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN AND LOCAL EXECUTIVE BODIES**

### **Article 19. General provisions on the reserves of the Government of the Republic of Kazakhstan and local executive bodies**

1. Reserves of the Government of the Republic of Kazakhstan and local executive bodies are formed in the composition of the republican and local budgets for financing the costs, not planned in the development of republican and local budgets because of their unpredictability and requiring the urgent funding in the current financial year.

2. Reserve of the Government of the Republic of Kazakhstan shall include:

1) a contingency reserve;

1-1) a reserve for the life support of the population in liquidation of emergency situations of natural and man-made nature;

2) a reserve for emergency expenses;

**2-1) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication);**

3) a reserve for the fulfillment of obligations under the court's decisions;

4) a reserve for covering the cash deficits of the regional budgets, budgets of the cities of republican significance, the capital city.

3. The reserve of executive bodies of regions, cities of republican significance, the capital city shall include:

1) a contingency reserve;

2) a reserve for emergency expenses;

3) a reserve for the fulfillment of obligations under the court's decisions;

4) a reserve to cover the cash deficit of district (the cities of regional significance) budgets

4. The reserve of executive bodies of districts (the cities of regional significance) shall include:

- 1) a contingency reserve;
- 2) a reserve for emergency expenses;
- 3) a reserve for the fulfillment of obligations under the court's decisions;
- 4) a reserve to cover the cash deficit in the budgets of the cities of district significance, villages, townships, rural districts.

5. The total volume of the reserve of the Government of the Republic of Kazakhstan is established by the Law on the republican budget.

The total volume of the reserve of the local executive body shall not exceed two percent of the total income of the relevant local budget, excluding transfers and loans.

6. The money from the reserves of the Government of the Republic of Kazakhstan and local executive bodies shall be allocated within the amounts approved in the republican or local budgets for the current financial year, by resolutions of the Government of the Republic of Kazakhstan and local executive bodies, respectively, as well as legal acts of the authorized body in civil protection, which expire at the end of the financial year.

To conduct rescue and recovery operations and other activities, related to elimination of the consequences of natural and man-made disasters, as well as situations that threaten the political, economic and social stability, life and health of people, with a term of implementation for more than one financial year, funds from the Government reserve are allocated with the definition of the total cost, and the amount of the current financial year and the amount by which the Government of the Republic of Kazakhstan shall adopt the decision additionally in the coming financial years.

In the event of deficiency of funds, provided for one of the types of reserves, the Government of the Republic of Kazakhstan or the local executive body shall increase the planning purposes of the corresponding reserve through the reallocation of the total volume of the reserves of the Government of the Republic of Kazakhstan and local executive bodies, in the established order.

7. Is excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV ( shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 19, as amended by the Laws of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.04.2016 № 487-V (shall be enforced from the date of signing); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first

official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

## **Article 20. Use of the reserves of the Government of the Republic of Kazakhstan and the local executive bodies**

1. Contingency reserve is used according to the elimination of emergency situations of natural and man-made disasters in the territory of the Republic of Kazakhstan and for the provision of official humanitarian assistance to other countries by the Republic of Kazakhstan

Financing of expenses from emergency reserve for the activities on liquidation of social, natural and man-made emergency situations provided by the decisions of the Government of the Republic of Kazakhstan or local executive bodies respectively may be carried out by the authorized agencies for budget execution as the administrators of budget programs submit the justifying documents in accordance with the legislation of the Republic of Kazakhstan.

1-1. The reserve for life support of the population upon liquidation of emergency situations of natural and man-made character shall be used to carry out activities aimed at preserving life and maintaining people's health in emergency zones, evacuation routes and places of accommodation of evacuated people.

2. Reserve for emergency expenses is used according to the elimination of situations that threaten the political, economic and social stability of the Republic of Kazakhstan or its administrative-territorial unit, as well as life and health of people. Reserve of the Government of the Republic of Kazakhstan to the emergency expenses can also be used for other incidental expenses, determined by the decisions of the Government of the Republic of Kazakhstan.

**2-1. Excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI ( shall be enforced ten calendar days after the day of its first official publication).**

3. Reserve for performance of the obligations under the court's decisions is used to fulfill the obligations of the Government of the Republic of Kazakhstan, central state bodies, their departments and territorial subdivisions, local executive bodies under the courts' decisions.

4. The reserve for crediting the regional budget, the budgets of the city of the republican significance, the capital city budget in case of prediction of cash deficit of their budgets for the next financial year shall be provided in the next financial year.

The reserve for crediting the district (the city of district significance) budgets in case of prediction of cash deficit of their budgets for the next financial year of shall be provided in the regional budget in the next financial year.

The reserve for crediting the budgets of cities of district significance, villages, townships, rural districts in case of a prediction of cash deficit of their budgets for the next financial year shall be provided in district (the city of regional significance) budget in the next financial year

Borrowing duration in the event of forecast cash deficit in the next financial year may be up to six months within the financial year and does not require the republican or local budgets adjustment.

5. In the case of using the money in full volume, provided in the reserve, the Government of the Republic of Kazakhstan or local executive body if necessary, shall put the proposal to increase the size of the reserves of the Government of the Republic of Kazakhstan or the local executive body through introduction of the amendments and supplements to the Law on the republican budget or the decision of the maslikhat on the local budget to the Parliament of the Republic of Kazakhstan or the corresponding maslikhat.

6. In the case of non-use or partial use of money during the financial year, allocated from the reserve of the Government of the Republic of Kazakhstan or the local executive body, the administrator of the budget program provides the return of the unused portion of the money, allocated to the appropriate budget by December 20 of the current financial year.

6-1. The responsibility in accordance with the laws of the Republic of Kazakhstan for untimely return of the unused portion of the allocated money from the reserve of the Government of the Republic of Kazakhstan or local executive body shall bear the first head of the administrator of budget programs, having received the money in accordance with the resolution of the Government of the Republic of Kazakhstan or local executive body.

7. The procedure of using the reserves of the Government of the Republic of Kazakhstan and local executive bodies is established by the Government of the Republic of Kazakhstan.

**Footnote. Article 20, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.04.2016 № 487-V (shall be enforced from the date of signing); dated 11.07.2017 №. 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11. 2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);**

## **Chapter 5. FORMATION, USE AND MANAGEMENT OF NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN**

### **Article 21. National Fund of the Republic of Kazakhstan**

1. The National Fund of the Republic of Kazakhstan shall represent the assets of the state in the form of financial assets, concentrated on the accounts of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan, mineral

resources, transferred to the account on the fulfillment of tax obligations for the payment of mineral extraction tax, the rental tax on exports for crude oil, gas condensate, royalty and the share of the Republic of Kazakhstan for the division of products in natural form or money from their sale, in the amount, determined in accordance with the tax legislation of the Republic of Kazakhstan, as well as in the form of other property, with the exception of intangible assets.

For fiscal purposes, including the purposes of using, analyzing and forecasting assets of the National Fund, the amount of net assets of the National Fund of the Republic of Kazakhstan is used, that is, the assets minus liabilities, including the amount of target requirements.

2. National Fund of the Republic of Kazakhstan is intended to ensure the social and economic development of the state through the accumulation of financial assets and other assets, excluding intangible assets, reduction of economic dependence on the oil sector and the impact of adverse external factors.

3. National Fund of the Republic of Kazakhstan provides saving and stabilization functions.

Saving function provides the accumulation of financial assets and other assets, excluding intangible assets, and the return on assets of the National Fund of the Republic of Kazakhstan in the long term with a moderate level of risk.

Stabilization function is designed to maintain a sufficient level of liquidity of assets of the National Fund of the Republic of Kazakhstan.

Part of the National Fund of the Republic of Kazakhstan, used for stabilization function is determined in the amount, necessary to provide the guaranteed transfer.

4. The formation and use of the National Fund of the Republic of Kazakhstan shall be determined by the situation in the external and internal commodity and financial markets, the economic situation in the country and abroad, national priorities while maintaining macroeconomic and fiscal stability and compliance with the main goals and objectives of the National Fund of the Republic of Kazakhstan.

5. Solutions, to improve the efficiency of formation and use of the National Fund of the Republic of Kazakhstan, as well as the volume and direction of its use are made by the President of the Republic of Kazakhstan.

6. The receipt and expenditure of the National Fund of the Republic of Kazakhstan are produced in the national and foreign currencies.

Accounting and reporting operations of the National Fund of the Republic of Kazakhstan are made in the national currency.

7. The trust management of the National Fund of the Republic of Kazakhstan shall be carried out by the National Bank of the Republic of Kazakhstan on the basis of a trust management agreement concluded between the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

The order of accounting and compiling of financial reporting of the National Fund of the Republic of Kazakhstan shall be determined by the National Bank of the Republic of Kazakhstan.

The compiling of financial reporting, based on the results of trust management of the National Fund of the Republic of Kazakhstan shall be carried out by the National Bank of the Republic of Kazakhstan in accordance with the trust management agreement.

**Footnote. Article 21, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 24.11.2015 № 422-V ( shall be enforced from 01.01.2016); dated 30.11.2016 № 26-VI (shall be enforced from 01.01.2016); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 No. 40-VIII (effective from 01.01.2024).**

## **Article 22. Sources for formation of the National Fund of the Republic of Kazakhstan**

1. The sources for formation of the National Fund of the Republic of Kazakhstan are:

- 1) receipts to the National Fund of the Republic of Kazakhstan;
- 2) investment income from the management of the National Fund of the Republic of Kazakhstan;
- 3) other receipts and income, not prohibited by the legislation of the Republic of Kazakhstan.

2. Receipts to the National Fund of the Republic of Kazakhstan shall consist of:

1) direct taxes from the oil sector organizations (except for taxes to the local budgets), which include:

- corporate income tax, excess profits tax, alternative tax on subsoil use;
- severance tax, bonuses, share of production sharing;
- rent tax on exports;
- additional payment of subsoil users, carrying out activities under the production sharing contract;

2) other income from operations, carrying out by the organizations of the oil sector (other than to the local budgets), including income for violating the conditions of oil contracts (other than to the local budgets);

3) receipts from privatization of the republican property;

3-1) proceeds from the transfer to the competitive environment of the assets of national managing holdings, national holdings, national companies and their subsidiaries, dependent and other legal entities affiliated with them, as determined by the central authorized state planning body and according to the list, approved by the Government of the Republic of Kazakhstan;

3-2) proceeds from the sale by an organization specializing in improving the quality of loan portfolios of second-tier banks, assets acquired in accordance with subparagraph 3) of paragraph 1 of Article 39-2 of this Code;

4) income from the sale of agricultural land.

3. Oil sector organizations include:

1) legal entities engaged in the extraction of crude oil, gas condensate;

2) legal entities that have entered into contracts for the exploration of crude oil, gas condensate;

3) the recipient on behalf of the state of minerals transferred by the subsoil user to fulfill the tax obligation in kind.

The list of organizations in the oil sector for the next financial year is approved by December 20 of the current financial year jointly by the central authorized body for budget execution and the competent body implementing the state policy in the field of subsoil use, concluding and executing oil contracts.

4. Investment income from the management of the National Fund of the Republic of Kazakhstan is formed from the placement of the National Fund of the Republic of Kazakhstan in financial instruments, except for intangible assets.

**Footnote. Article 22 as amended by the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.01.2021 No. 407-VI (see art. 2 for the procedure for enactment ); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the day of its first official publication).**

### **Article 23. Use of the National Fund of the Republic of Kazakhstan**

1. The National Fund of the Republic of Kazakhstan is spent:

1) as a guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget;

**2) is excluded by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV ( shall be enforced after ten calendar days after its first official publication);**

3) on covering of expenses, associated with the management of the National Fund of the Republic of Kazakhstan and conducting the annual audit;

4) in the form of targeted transfers from the National Fund of the Republic of Kazakhstan to the republican budget by decision of the President of the Republic of Kazakhstan for financing:

anti-crisis programs during economic downturn or economic slowdown periods;

socially significant projects of national scale, strategically important infrastructure projects in the absence of alternative sources of their financing;

5) in the form of payments of target requirements and covering the costs of paying for banking services related to transfers and payments of target savings.

1-1. The use of the National Fund of the Republic of Kazakhstan for the purposes specified in subparagraphs 1), 3) and 4) of paragraph 1 of this Article is limited by the size of the net assets of the National Fund of the Republic of Kazakhstan, that is, assets minus liabilities, including the amount of target requirements.

2. The National Fund of the Republic of Kazakhstan is located in the approved financial instruments, except for intangible assets, in order to ensure:

- 1) a preservation of the National Fund of the Republic of Kazakhstan;
- 2) maintaining of a sufficient level of liquidity of the National Fund of the Republic of Kazakhstan;
- 3) a high level of profitability of the National Fund of the Republic of Kazakhstan in the long term with a moderate level of risk;
- 4) reception of the investment income in the long term.

3. The list of permitted financial instruments, except for intangible assets, is determined by the Government of the Republic of Kazakhstan together with the National Bank of the Republic of Kazakhstan, at the suggestion of the Council for management of the National Fund of the Republic of Kazakhstan.

4. The National Fund of the Republic of Kazakhstan may not be used for crediting individuals and legal entities, and as ensuring the performance of obligations.

5. The procedure of entering assets to the National Fund of the Republic of Kazakhstan and the use of the National Fund of the Republic of Kazakhstan is determined by the Government of the Republic of Kazakhstan.

6. Assets, transferred to the National Fund of the Republic of Kazakhstan or withdrawn from the National Fund of the Republic of Kazakhstan shall be subjected to conversion or re-conversion in the manner, prescribed by the National Bank of the Republic of Kazakhstan.

**Footnote. Article 23, as amended by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 No. 40-VIII (effective from 01.01.2024).**

#### **Article 24. Guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget**

1. A guaranteed transfer from the National Fund of the Republic of Kazakhstan shall be the revenues to the republican budget from the National Fund of the Republic of Kazakhstan.

2. The size of the guaranteed transfer from the National Fund of the Republic of Kazakhstan is determined in absolute fixed value and approved by the Law of the Republic of Kazakhstan.

2-1. A guaranteed transfer from the National Fund of the Republic of Kazakhstan shall be planned in an amount not exceeding the volume of projected receipts to the National Fund of the Republic of Kazakhstan from the oil sector organizations at a cut-off price.

The cut-off price shall be determined in the manner established by the central authorized state planning body in coordination with the National Bank of the Republic of Kazakhstan.

The cut-off price shall be established by the law provided for in paragraph 2 of this article

3. The amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan, not listed for the financial year to the republican budget of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan on the proposal of the Republican Budget Commission and in the accordance with the procedure, approved by the Government of the Republic of Kazakhstan shall have the right to use the current budget program and budget development programs in the current financial year for the finance, approved in the republican budget for the past financial year, in the amount not exceeding the amount of the unpaid recorded liabilities to the budgetary programs for which civil transactions are concluded in accordance with paragraph 5 of Article 96 of this Code, by adjusting the budget.

4. The involvement of the amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan, not listed for the financial year to the republican budget shall be to the amount of difference of unpaid registered obligations of last financial year to the current budget programs, budget development programs and budget surpluses at the beginning of the financial year.

**Footnote. Article 24, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (effective from 01.01.2022).**

### **Article 25. Management Council of the National Fund of the Republic of Kazakhstan**

1. Management Council of the National Fund of the Republic of Kazakhstan is an advisory body to the President of the Republic of Kazakhstan, developing proposals for the effective use of the National Fund of the Republic of Kazakhstan and its placement in financial instruments, except for intangible assets.

2. The functions of the Management Council of the National Fund of the Republic of Kazakhstan are:

1) development of proposals to improve the formation and use of the National Fund of the Republic of Kazakhstan;

2) consideration and development of proposals for the volume and direction of use of the National Fund of the Republic of Kazakhstan;

3) development of proposals for the list of approved financial instruments, except for intangible assets, for placement the National Fund of the Republic of Kazakhstan.

4) the functions established by the Social Code of the Republic of Kazakhstan regarding the management of pension assets of the unified accumulative pension fund.

3. The decision to establish the Management Council of the National Fund of the Republic of Kazakhstan, its composition and regulations shall be approved by the President of the Republic of Kazakhstan.

**Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016); dated 20.04.2023 No. 226-VII ( shall be enforced from 01.07.2023).**

## **Chapter 6. UNIFIED BUDGET CLASSIFICATION**

### **Article 26. Identification of unified budget classification**

1. Unified budget classification is a grouping of income and expenditure of budget for functional, departmental and economic characteristics with the assignment of grouping codes to the classification objects.

2. The budget process is based on the unified budget classification.

3. The unified budget classification shall be compiled on the basis of legislative acts of the Republic of Kazakhstan, decrees of the President of the Republic of Kazakhstan, resolutions of the Government of the Republic of Kazakhstan, decisions of the Maslikhat of the region, the city of republican significance, the capital city, the district and the city of regional significance in the manner determined by the central authorized body for budget planning.

4. The unified budget classification shall be developed and approved by the central authorized body on budget planning.

**Footnote. Article 26, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).**

### **Article 27. Composition of unified budget classification**

Unified budget classification shall include:

- 1) a classification of budget revenues;
- 2) a functional classification of budget expenditures;
- 3) an economic classification of expenditures.

### **Article 28. Classification of budget revenues**

1. Classification of budget revenues is a grouping of budget revenues of all levels for certain characteristics, based on the budget legislation of the Republic of Kazakhstan.

2. Grouping classification of the budget revenues consists of categories, classes, subclasses and specificity.

The categories represent grouping the revenues on economic grounds.

Classes and subclasses group revenues by their sources and types.

Specificity determines the form of payment or budget revenues.

#### **Article 29. Functional classification of budget expenditures**

1. The functional classification of budget expenditures is a grouping of expenditures of budgets of all levels, which determines the budget funds spending directions according to functional and departmental features, reflecting the performance of state functions, implementation of the State Planning System documents.

2. Grouping of functional classification of the budget expenditures consists of the following levels:

functional groups;

functional sub-groups;

administrators of budget programs;

budget programs (subprograms).

3. On the basis of the functional classification of the budget expenditures, departmental classification of budget expenditures can be formed, compiled by grouping the administrators of budget programs and budget programs (subprograms).

**Footnote. Article 29, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);**

#### **Article 30. Economic classification of budget expenditures**

1. Economic classification of budget expenditures is the grouping of budget expenditures on economic performance, reflecting the operations conducted by state institutions for the implementation of budget programs.

2. Grouping of economic classification of budget expenditures consists of the category, class, subclass and specificity.

The category shall group the spending on economic grounds. The class and subclass shall group expenditures on the main types of transactions, conducted by state institutions. Specificity determines the type of operations, carried out by state institution for the implementation of the budget program.

3. The structure of the specifics of economic classification of budget expenditures shall be developed and approved by the central authorized body on budget planning.

**Footnote. Article 30, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **Article 31. The administrator of the budget programs**

1. The administrator of the budget programs is the state body, responsible for the planning, study, implementation and achieving the results of budget programs.

The administrator of the budget programs is determined according to the functions and powers entrusted to it.

Budget programs for which the implementation of budget investment is planned by the state's participation in the authorized capital of the national holdings and national management holding company, providing the implementation of projects in various sectors of the economy, which cannot be attributed to the competence of a single administrator of budget programs, the administrator shall be the central authorized body for state planning.

2. The administrator of budget programs uses budget funds independently in the case, if it is both the administrator of the budget program and the state institution.

3. Structural and territorial subdivisions of state bodies cannot be the administrators of budget programs, except for the internal affairs bodies and territorial subdivisions of the authorized body in the sphere of civil protection of the region, the city of republican significance, the capital city, which are the administrators of regional budget programs, budget programs of the cities of republican significance, the capital city.

4. Administrators of the republican budget programs are the central executive and other central state bodies.

5. Administrators of local budget programs are determined based on a model structure of the local government, approved by the Government of the Republic of Kazakhstan.

6. Administrators of regional budget programs, budget programs of the cities of republican significance and the capital are the administrations of Akims and regional maslikhats, the maslikhats of the cities of republican significance and the capital, executive bodies, the audit commissions of the regions, cities of republican significance and the capital, authorized by akimats of the regions, cities of republican importance, the capital and the Law enforcement agencies of the regions, cities of republican significance and the capital.

7. Administrators of district (municipal) budget programs are the administration of akim and maslikhat of the region (the city of regional importance), executive bodies, authorized by akimat of the district (the city of regional importance).

8. The administrators of the budget programs of the district in the city, the city of district significance, a village, a township, a rural district shall be the apparatus of the Akim of the given administrative-territorial units.

9. Budget programs administrators shall hold discussions on: draft development plans of state bodies and budget programs; implementation of state bodies' development plans and of budget programs; reports on the achievement of target indicators of the state bodies' development plans, reports on the implementation of budget programs, reports on the execution of plans for the receipt and expenditure of money from the sale of goods (works, services), reports on the receipt and expenditure of money from charity, reports on the results of public discussions on the Internet portal of open budgets of draft budget programs and

performance reports on the budget programs - at a meeting of the Public Council, formed in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

Footnote. Article 31, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.11.2015 № 384-V (shall be enforced from 01.01.2016); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2017 № 124-VI (shall be enforced from 01.01.2018); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

### **Article 32. Budget programs**

1. The budget program of the republican budget programs administrator, who draws up the development plan of the state body, shall determine the direction of the republican budget expenditures, interconnected with the goals defined in the development plan of the state body.

The budget program of the republican budget programs administrator, who does not develop a development plan for the state body, shall determine the direction of the republican budget expenditures, interconnected with the powers defined in the regulation on the state body.

The budget program of the local budget programs administrator shall determine the direction of local budget expenditures, interconnected with the goals, target indicators defined in the relevant development plan for the region, the city of republican status, the capital, or the powers defined in the regulation on the state body.

2. The budget program shall be developed for the planning period annually on a rolling basis by the budget programs administrator and shall contain indicators of direct and final results, the volume of planned budget funds for the planning period, indicators of the economic effect of the declared expenditures on budget investment projects, formation and (or) increase in authorized capital of legal entities, budget subsidies.

The budget programs of the republican budget programs administrators that draw up development plans for the state bodies shall be approved by the budget programs administrators in agreement with the authorized central state planning and budget planning bodies.

Budget programs of republican budget programs administrators that do not draw up development plans for state bodies shall be approved by budget programs administrators in agreement with the authorized central budget planning body.

Budget programs of administrators of local budget programs shall be approved by administrators of budget programs in agreement with the relevant local authorized state planning agency, with the exception of budget programs of administrators of local budget

programs financed from the budgets of cities of district significance, villages, townships, rural districts, which are approved in agreement with local authorized bodies on state planning of districts (the cities of regional importance).

3. Budget programs aimed at implementing activities through targeted transfers or loans from a higher budget shall be approved (re-approved) by administrators of budget programs of the lower budget in agreement with the administrator of budget programs of the higher budget, transferring targeted transfers or loans and local authorized bodies on state planning.

In budget programs (subprograms) of the administrator of budget programs of the higher budget aimed at providing targeted development transfers or loans to lower-level budgets, a list of local budget investments, financed through targeted transfers on development or loans from a higher budget shall be reflected, in the context of lower-level budgets with the name of local budget investments and expenditures for the planning period.

In budget programs (subprograms) of the administrator of the budget programs of the higher-level budget, aimed at provision of targeted current transfers, with the exception of targeted current transfers, aimed at compensating losses on income of lower-level budgets in accordance with subparagraph 1) of paragraph 2 of Article 46 of this Code, the direct outcome indicators shall be reflected in the context of subordinate budgets.

Approved (re-approved) budget programs of the administrator of the budget programs of the higher-level budget, aimed at providing targeted development transfers or loans to lower-level budgets, by administrators of republican or regional budget programs shall be reported to the local authorized bodies for state planning of regions, cities of republican significance, the capital city or districts (cities of regional significance ) not later than three working days from the date of their approval (re-approval).

Approved (reapproved) budget programs of the administrator of budget programs of the higher budget, aimed at providing targeted development transfers or loans to lower-level budgets, by administrators of district (regional) budget programs shall be brought to the Akims of the cities of district significance, villages, townships, rural districts no later than three working days from day of their approval (reapproval).

4. Republican budget programs shall be re-approved when:

clarifying the budget in the event of a change in their financing levels and outcome indicators in agreement with the central authorized bodies for state and budget planning or with the central authorized body on budget planning in accordance with paragraph 2 of this Article;

adjustment of the budget in the event of a change in their financing amounts and outcome indicators in agreement with the central authorized body on budget planning.

Local budget programs shall be re-approved in case of changes in their financing amounts and outcome indicators when clarifying or adjusting the local budget in agreement with the local authorized state planning authority in accordance with paragraph 2 of this Article.

4-1. Changes shall be entered on budget programs at the initiative of the budget programs administrator without changing the annual amount of funding for the budget program without coordination with the authorized central state planning and budget planning bodies or in coordination with the authorized local state planning body in the cases provided for in part two of paragraph 9, paragraphs 9-1 and 9-3 of Article 85 of this Code.

Administrators of budget programs, when making changes to budget programs on their own initiative, within three working days shall send approved changes to budget programs, respectively, to the central or local authorized body for budget execution in the order of notification.

5. Budget programs should be grouped according to their homogeneous state functions, powers and public services or directions of activity of the administrator of budget programs.

6. The budget program can be subdivided into subprograms specifying the spending areas of budget funds aimed at achieving the goal of the state body's development plan, the development plan of the region, the city of republican status, the capital and (or) the final result of the budget program.

For budget programs, financed from different sources, a budget subprogram shall be allocated for each of the funding sources.

If the budget program has subprograms, the indicators of the direct result shall be reflected at the subprogram level.

7. For the targeted transfers to lower-level budgets, the indicators of direct and final results shall be indicated in the relevant local budget programs, aimed at implementing activities through targeted transfers from a higher budget.

According to local budget programs aimed at implementing activities through targeted development transfers from a higher budget, the direct result indicators shall be indicated in the context of local budget investment projects.

8. Each budget program shall be assigned to the head of the budget program - an official of the administrator of budget programs, ensuring planning and execution of the budget program.

The head of the budget program shall bear responsibility in accordance with the laws of the Republic of Kazakhstan for an unqualified planning and failure to achieve the results of the budget program.

9. The procedure for the development and approval (re-approval) of budget programs (subprograms) and the requirements for their content shall be determined by the central authorized body on state planning in agreement with the central authorized body on budget planning.

**Footnote. Article 32 is in the wording of the Law of the Republic of Kazakhstan dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication);**

dated 30.11. 2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

### **Article 33. Types of budget programs**

1. Depending on the content, the budget programs are divided into the programs, aimed at :

implementation of state functions, authority, and provision of state services arising from them;

providing transfers and budget subsidies;

provision of budget credits;

implementation of budget investments;

implementation of capital expenditures;

execution of the state obligations;

investment of the specific deposit;

target transfer;

the target contribution.

To achieve the goal of development plan for the state body or a development plan for a region, a city of republican status, the capital, single end result, the costs of exercising state functions, powers and public services arising from them, making capital expenditures, making budget investments through the implementation of budget investment projects, providing transfers and budget subsidies can be combined into one budget program with the allocation of these costs into separate subprograms.

2. Depending on the level of public administration, budget programs shall be divided into:

1) republican, approved in the structure of republican budget;

2) regional, the cities of republican significance, the capital city, approved in the structure of the regional budget, budgets of the cities of republican significance, the capital city;

3) district (city), approved in the structure of the district (the city of regional significance) budget;

4) budget programs of the district in the city, approved in the structure of the budgets of the cities of republican significance, the capital city, the city of regional significance;

This edition of subparagraph 5 is effective from 01.01.2018 for the cities of district significance, villages, townships, rural districts with population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (the current edition before 01.01.2020 for the cities of district significance, villages, townships, rural districts with the population of two thousand or less people, see the archival version dated 11.07.2017 of the Budget Code of the Republic of Kazakhstan dated 04.12.2008 № 95-IV).

5) budget programs of the city of district significance, a village, a township, a rural district, approved in the structure of budgets of the cities of district significance, villages, townships, rural districts.

Budget programs of the region, the cities of republican significance, the capital city, district (city), as well as budget programs of the district in the city and budget programs of the city of district significance, a village, a township, a rural district shall be local budget programs.

3. Depending on the method of implementation the budget programs are divided into:

1) individual budget programs implemented by one administrator;

2) distributed budget programs, approved in the structure of the budget as part of budget programs of a certain administrator of budget programs and subject to distribution during the current financial year between various administrators of budget programs.

The distribution of such budget programs shall be carried out in the manner, determined by the relevant central state bodies in agreement with the central authorized body on budget planning.

The final results of the distributed budget program shall be reflected in the budget program of the administrator of budget programs, distributing the budget program, distributed during the current financial year between various administrators of budget programs.

The direct results of the distributed budget program shall be indicated in the budget program of the administrator of budget programs, receiving funds from the distributed budget program, when distributing budget programs distributed during the current financial year between various administrators of budget programs.

Direct and end results of the distributed budget programs directed to using the reserve for the initiatives of the President of the Republic of Kazakhstan, the reserves of the Government of the Republic of Kazakhstan and local executive bodies shall be indicated in the budget program of the budget programs administrator receiving funds from these distributed budget programs.

In case of incomplete distribution of expenses provided for in the approved (revised) budget for distributed budget programs aimed at using the reserve for the initiatives of the President of the Republic of Kazakhstan, the reserves of the Government of the Republic of Kazakhstan and local executive bodies, the unallocated amount shall not be budget non-performance.

4. Budget programs (subprograms) shall be subdivided into the current budget programs (subprograms) and budget programs (subprograms) of development with the assignment of the appropriate characteristic (code) as part of a unified budget classification.

Budget programs (subprograms) for the development shall include budget expenditures aimed at implementing budget investments. The remaining budget expenditures shall refer to the current budget programs (subprograms).

Footnote. Article 33, as amended by the Laws of the Republic of Kazakhstan dd. 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dd. 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication); dated 02.07.2014 № 225-V (shall be enforced from 01.01.2015); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017, № 90-VI (see Article 2 for the procedure of enforcement); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (effective from 01.01.2024).

**Article 34. Budget programs, aimed at the implementation of state functions, authority and the provision of public services arising from them**

1. The cost of the budget program, aimed at the implementation of state functions, authority and the provision of public services, arising from them, shall include all the current costs, associated with them.

2. The names of the budget programs shall reflect the content of providing state functions, authority and the provision of public services arising from them or activities of the state body.

3. The state social order performed by non-government organizations is funded on the budget programs, aimed at providing public services.

4. Planning of budget funds should be allowed on the assets, transferred free of charge.

5. The cost of research, consulting services and the state task is established in the manner determined by the central authorized bodies of the relevant industry (sphere) in agreement with the central authorized body for budget planning.

Footnote. Article 34 is in the wording of the Law of the Republic of Kazakhstan dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).

**Article 35. Budget programs, aimed at providing transfers and budget subsidies**

1. Budget programs, aimed at providing transfers and budget subsidies are:

1) transfers between levels of budgets;

1-1) Excluded by Law of the Republic of Kazakhstan № 90-VI of 11.07.2017 (see sub-p.1 ) of p.1 of art.2 for the enactment procedure);

1-2) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII ( effective from 01.01.2024).

2) transfers to individuals, other than cash payments to employees of state institutions;

3) budget subsidies to individuals and legal entities.

2. Transfers between budget levels are unpaid and unrecoverable payments from one level of the budget to another, except the cases provided in this Code.

2-1 Excluded by Law of the Republic of Kazakhstan № 90-VI of 11.07.2017 (see p.3 of art.2 for the enactment procedure);

2-2. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (effective from 01.01.2024).

3. Transfers to individuals, except for payments to employees of state institutions are the cash payments to individuals, designed to increase their disposable income for either full or partial reimbursement of certain costs or damages, provided by the legislative acts of the Republic of Kazakhstan.

4. Budget subsidies are non-refundable payments from the budget, which are provided to individuals and legal entities, including peasant farmers, or, if there are no other way to carry out the state functions and implementation of the social and economic development objectives of the republic or region, in the cases, stipulated by legislative acts of the Republic of Kazakhstan.

5. The procedure for payment of subsidies from the budget shall be determined by the central state bodies in agreement with the central authorized body on state planning and the central authorized body on budget planning.

6. Excluded by Law of the Republic of Kazakhstan № 90-VI of 11.07.2017 (shall be enforced since 01.01.2020).

7. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (effective from 01.01.2024).

Footnote. Article 35 as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); dated 02.11.2015 № 387-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 406-V of 16.11.2015 (see art. 3 for the enactment procedure); № 90-VI of 11.07.2017 (see cr. 2 for the enactment procedure); dated 19.04.2023 No. 223-VII (effective from 01.01.2024).

### **Article 36. Budget programs, aimed at providing the budget loans**

Budget loans shall be applied for:

- 1) the implementation of budget investment projects;
- 2) the implementation of foreign economic activity of the state;
- 3) the implementation of public investment policy by financial agencies;
- 4) cover the cash deficit of lower budgets;
- 5) the solution of problems of state social policy;
- 6) ensuring food security through the purchase of agricultural products.

Footnote. Article 36, as amended by the Law of the Republic of Kazakhstan dd .16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

#### **Article 37. Budget programs, aimed at the implementation of budget investments**

Budget investments are made through the implementation of budget investment projects and through the participation in the authorized capital of legal entities.

Footnote. Article 37 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 38. Budget programs, aimed at the implementation of capital expenditures**

The capital expenditures shall include the expenditures aimed at formation or strengthening the material-technical base, for the capital (replacement) repair and other capital expenditures in accordance with the economic classification of expenditures, except for budget investment.

Footnote. Article 38, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

#### **Article 39. Budget programs aimed at the fulfillment of the state obligations**

Budget programs, aimed at the fulfillment of the state obligations are:

aggregate payments of remuneration, fees, fines and other payments, arising from the terms of borrowing, and payment on the hedging transaction in a specific period of time;

repayment the amount of the received loan in the manner prescribed in the loan agreement by the borrower and the performance of the other state obligations, arising from the loan agreement;

share and donor contributions to the international organizations, which member is the Republic of Kazakhstan;

fulfillment of the obligations on the state guarantees and sureties;

fulfillment of obligations under state guarantees for export support;

fulfillment of state obligations on public-private partnership projects, including state concession obligations;

other obligations of the state under the international treaties ratified by the Republic of Kazakhstan and the legislative acts of the Republic of Kazakhstan or court decisions.

Footnote. Article 39, as amended by the Law of the Republic of Kazakhstan dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 04.07.2013 No. 131-V (shall be enforced from the date of its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 39-1. Budget programs, aimed at the investment of special deposit**

1. The targeted contribution shall be gratuitous and non-refundable payments from the budget to the activity of autonomous organizations of education and (or) to a non-commercial organization, created in the organizational and legal form of the fund solely to provide funding for the activity of the autonomous organizations of education and their organizations.

2. Special deposit is used for the purposes, specified in the regulatory legal acts of the Republic of Kazakhstan.

3. Investment of special deposit is performed through the appropriate administrators of budget programs.

4. Indicators of the results of the targeted contribution to the activities of autonomous educational organizations and their institutions shall be determined in the development plans of state bodies and (or) budget programs of the respective budget programs administrators.

Autonomous educational organizations and their institutions shall be accountable for achieving the performance indicators of the targeted contribution to their activities, defined in the development plans of state bodies and (or) budget programs of the respective budget programs administrators.

5. Planning of expenditures for budget programs aimed at investing of targeted contribution shall be carried out through the preparation of a budget application in accordance with the procedure, established by the central authorized body for budget planning.

6. Financing of budget programs aimed at investing a targeted contribution shall be carried out in accordance with the procedure, established by the central authorized body for budget execution.

**Footnote.** Chapter 6 shall be supplemented by Article 39-1 in accordance with the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon the expiry of ten calendar days after its first official publication), as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 03.12.2013 № 151-V (shall be enforced from 01.01.2014); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 21.07. 2015 № 337-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 39-2. Budget programs aimed at targeted transfer**

1. The targeted transfer shall be gratuitous and non-refundable payments from the republican budget to:

1) a non-commercial organization, established in the organizational and legal form of the fund solely to provide financing to a legal entity with 100% state participation in the

authorized capital, which main subject of activity is organization and holding of an international specialized exhibition on the territory of the Republic of Kazakhstan, as well as the post-exhibition use of the territory of an international specialized exhibition;

2) an autonomous cluster fund exclusively for creation of joint ventures with participation of transnational corporations, as well as for equity participation in foreign investment funds;

3) an organization that specializes in improving the quality of loan portfolios of second-tier banks, in the event of the sale of which there may be losses;

4) a non-commercial organization, providing conditions for the activity of bodies and their organizations, as well as participants in the international financial center, solely for the acquisition of long-term assets, provision and financing of the activity of bodies and their organizations.

2. The targeted transfer shall be directed to the purposes, defined in the legislative acts of the Republic of Kazakhstan.

3. The targeted transfer shall be carried out through the respective administrators of budget programs.

4. Indicators of the target transfer results shall be determined in the development plans of state bodies and (or) budget programs of the respective budget programs administrators.

A legal entity with 100% participation of the state in the authorized capital, whose main activity is organizing and holding of an international specialized exhibition on the territory of the Republic of Kazakhstan, as well as post-exhibition use of the territory of an international specialized exhibition, an autonomous cluster fund, as well as an organization that provides conditions for the activities of the bodies, their organizations and participants of the international financial center shall be accountable for achieving the performance indicators of the targeted transfer to their activities, defined in the development plans of state bodies and (or) budget programs of the respective budget programs administrators.

The organization, specializing in improving the quality of loan portfolios of second-tier banks shall bear responsibility for using the targeted transfer on the directions, defined in the budget programs of the respective administrators of budget programs.

4-1. Target transfers not used for the purposes specified in the legislative acts of the Republic of Kazakhstan shall be bindingly refunded to the relevant budget no later than three months after the issuance of an order by the state audit and financial oversight bodies.

5. Planning of expenditures for budget programs aimed at targeted transfer shall be carried out through the preparation of a budget application in accordance with the procedure, established by the central authorized body on budget planning.

6. Financing of budget programs, aimed at targeted transfer shall be carried out in accordance with the procedure, established by the central authorized body for budget execution.

**Footnote. Chapter 6 is supplemented by Article 39-2 in accordance with the Law of the Republic of Kazakhstan dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); as**

amended by the laws of the Republic of Kazakhstan dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 17.11.2015 № 407-V (shall be enforced from 01.01.2016); dated 27.02.2017 № 49-VI (shall be enforced from 01.01.2017); dated 13.03.2017 № 53-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2017, № 122-VI (shall be enforced from 01.01.2018); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

### **Article 39-3. A budget program aimed at providing a targeted contribution**

1. The target contribution is gratuitous and irrevocable payments from the republican budget to the social health insurance fund:

1) to pay for the provision of services within the guaranteed volume of free medical care;  
2) in the form of state contributions to compulsory social health insurance for citizens of the Republic of Kazakhstan who are exempt from paying contributions to the social health insurance fund, as defined by the Law of the Republic of Kazakhstan "On compulsory social health insurance";

3) to pay for the services of healthcare entities to provide medical care in the system of compulsory social health insurance to military personnel, employees of special state and law enforcement agencies.

2. The target contribution is made through the administrator of the budget program.

3. The indicators of the results of the target contribution to the social health insurance fund are determined in the development plan of the authorized body in the field of healthcare.

The social health insurance Fund ensures the achievement of the target contribution performance indicators defined in the development plan of the authorized body in the field of healthcare.

4. The planning of expenditures on the target contribution is carried out in accordance with the procedure established by the authorized body in the field of healthcare in coordination with the central authorized body for budget planning.

5. Financing of the budget program aimed at investing the target contribution is carried out in accordance with the procedure established by the authorized body in the field of healthcare in coordination with the central authorized body for budget execution.

**Footnote.** Chapter 6 is supplemented by Article 39-3 in accordance with the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (effective from 01.01.2024).

### **Article 40. Classification of expenses of state bodies carrying out operational-search activities, intelligence and counterintelligence activities, and their institutions, as well as ensuring the security of protected persons and objects**

**Footnote.** The heading of Article 40 is as amended by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).

Expenses of special state bodies engaged in intelligence and counterintelligence activities, and their institutions, as well as ensuring the security of protected persons and objects, are classified according to one functional group, reflecting one specific economic classification of expenses for the following budget programs:

for one budget program designed to perform state functions and authority, providing transfers and making capital expenditures;

for one budget program aimed at the implementation of budget investment.

Expenses for the implementation of the operational-search activities of state bodies and their institutions, with the exception of special state bodies, are classified according to one functional group, according to one budget program aimed at performing state functions and powers, with the exception of capital expenses and expenses for the implementation of budget investment projects, with reflection according to one specific economic classification of expenses.

**Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).**

#### **Article 41. State task**

1. The state task is an order to legal entities with state participation in the authorized capital, the National Olympic Committee of the Republic of Kazakhstan, the National Paralympic Committee of the Republic of Kazakhstan, the Astana Hub international technology park, autonomous educational organizations and their institutions, the Elbasy Academy corporate fund, determined by the Government of the Republic of Kazakhstan, for the provision of certain public services, implementation of budget investment projects and performance of other tasks pursuant to ensuring socio-economic stability and (or) socio-cultural development of the state.

The allocation of budgetary funds to legal entities with state participation in the authorized capital for the state task execution is carried out without increasing the authorized capital.

2. Planning of the state task shall be carried out in compliance with the requirements, established by this Code when developing the budget, taking into account positive conclusions:

1) the National Chamber of Entrepreneurs of the Republic of Kazakhstan for compliance with the rights and legitimate interests of business entities;

2) the antimonopoly body for compliance with the legislation of the Republic of Kazakhstan in the field of competition protection, issued in the manner determined by the antimonopoly body.

The conclusion of the antimonopoly body may determine the mandatory scope of the state task that the legal entity responsible for the state task implementation subcontracts in

compliance with the competitive procedures provided for by the legislation of the Republic of Kazakhstan on public procurement.

3. The state task shall be implemented within the execution of the approved republican three-year budget programs by concluding a civil law transaction between the republican budget programs administrator and the state task executor, indicating in it the performance indicators.

Fulfillment of state task is carried out without following the tender procedures, provided by the legislation of the Republic of Kazakhstan on the state procurement.

The legal entity responsible for the implementation of the state task is allowed to transfer the state task to a subcontractor (co-executor) in the amount of not more than fifty percent of the amount of budget funds for the corresponding financial year allocated for the implementation of the state task.

The provision of part three of this paragraph shall not apply to quasi-public sector subjects operating in healthcare, in the field of implementing state information policy, and to the Elbasy Academy corporate fund.

4. The list of state tasks, administrators of budget programs and legal entities, who are responsible for the implementation of public tasks, is approved by the Government of the Republic of Kazakhstan annually.

4-1. Orders can be attributed to state tasks:

1) on implementation of the state information policy, including work on its technical and methodological support;

2) in the areas of modernization of public consciousness, interethnic relations and internal political stability, support for compatriots abroad and kandaces within the country, social development, methodological support for the implementation of state youth and family policy ;

3) in aerospace activities;

4) in environmental protection;

5) on implementation of state policy in religious activities and interaction with religious associations;

6) National Olympic and Paralympic Committees of the Republic of Kazakhstan;

7) in culture and tourism activities, in the protection and use of historical and cultural heritage facilities;

8) in education, science;

9) in healthcare, including medical support services for certain categories of civil servants and citizens of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan;

10) on organizing and conducting training for healthcare workers and other servants of the Administration system of the President of the Republic of Kazakhstan;

11) to ensure the safety of navigation and shipping, the maintenance of navigable waterways and locks;

12) for the construction, reconstruction, repair, maintenance and development of a network of public roads of international and national scale;

13) on the state geological study of the subsoil, as well as collection, storage, processing and provision of geological information;

14) on conducting research in sustainable economic development of the national economy, scientific economic expertise of draft regulatory legal acts;

15) to improve regulatory and technical documents in architecture, urban planning and construction, as well as housing and utility services;

16) for the inventory of underground and above-ground communications in the built-up area of settlements;

17) to increase the availability of information on land resources;

18) on development and improvement of urban planning documents of national importance;

19) to carry out activities within the framework of energy conservation and energy efficiency in the housing and utility services;

20) in nuclear, radiation and nuclear security;

21) on creation, updating and publication of state topographic maps and plans, creation, development and maintenance of state geodetic networks, preparation of technical projects, formation and maintenance of the National spatial data fund, creation and development of the National spatial data Infrastructure;

22) in the social and labor sphere;

23) accounting for oil and gas condensate, provision of dispatching services of performance indicators in the oil and gas industry of the Republic of Kazakhstan;

24) in support for Kazakhstan personnel and producers in hydrocarbons and uranium;

25) in the population migration;

26) for the provision of public services, implementation of budget investment projects and performance of other tasks on behalf of and (or) in agreement with the President of the Republic of Kazakhstan;

27) on measures to stimulate development of the information and communication technologies market.

This list is exhaustive and cannot be extended.

4-2. To be included in the list of state tasks, the orders specified in paragraph 4-1 of this article must meet one of the following criteria:

1) absence of any other possibility of ensuring national security, the defense capability of the state or protecting the interests of society;

2) the use, operation and maintenance of strategic facilities, critical infrastructure facilities, including information and communication infrastructure, owned by the state, by virtue of ensuring public interests and national security;

3) absence of competition in the relevant market for goods, works and services;

4) exclusivity and uniqueness of goods, works, services, intellectual property objects.

It shall be prohibited to plan a state task and include orders in the list of state tasks that do not meet the criteria provided for in part one of this paragraph. Transactions concluded in violation of this paragraph may be declared invalid by the court at the suit of interested persons.

5. The procedure for the development and implementation of the state task shall be determined by the central authorized body on budget planning.

**Footnote. Article 41, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 19.01.2011 No. 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 01.02.2012 No. 551-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 130-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 208-V (shall be enforced from 01.01.2015); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.05.2017 № 65-VI (shall be enforced from 01.01.2018); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 04.07.2018 № 174-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 280-VI of 13.12.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication); dated 21.12. 2022 No. 167-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 06.02.2023 No. 194-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 41-1. Conventionally financed spendings**

**Footnote. Article 41-1 is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).**

### **Chapter 7. INTERGOVERNMENTAL FISCAL RELATIONS**

#### **Article 42. General provisions on intergovernmental fiscal relations**

1. Inter-budget relations shall be relations between the republican, regional budgets, budgets of the cities of republican significance, the capital city budget, district budget (the cities of regional significance), budgets of the cities of district significance, villages, townships, rural districts in the budget process.

2. The budget process does not allow the relationship between the republican budget and the regional budgets (budgets of the cities of regional significance), budgets of the cities of district significance, villages, townships, rural districts with the budgets of the cities of district significance, villages, townships, rural districts and the relationship of local budgets of one level with each other, except for the cases, stipulated by this Code.

3. By resolution of the Government of the Republic of Kazakhstan, relations between the regional budget, the budgets of the city of republican status, the capital with other regional budgets, the budgets of cities of republican status, the capital shall be admissible in the budget process in cases of social, natural and man-made emergencies that threaten political, economic and social stability of the administrative-territorial unit, people's life and health, holding events of national or international scale, also for the development of agglomerations at the request of akims of regions, cities of republican status, the capital, and on behalf of the President of the Republic of Kazakhstan.

4. Inter-budget relations shall be based on a clear delimitation of functions and powers between the levels of state administration, unified distribution of revenues and expenditures between the republican, regional budgets, budgets of the cities of republican significance, the capital city, district budgets (cities of regional significance), budgets of the cities of district significance, villages, townships, rural districts, as well as on the unity and transparency of methods for determining inter-budget transfers.

5. Intervention of the Government of the Republic of Kazakhstan and central state bodies in the budget process of oblasts, cities of republican significance, the capital city, local executive bodies of oblasts in the budget process of districts (cities of regional significance) and local executive bodies of districts (cities of regional significance) into budget process of the cities of district significance, villages, townships, rural districts shall not be allowed, except for the cases, stipulated by this Code.

6. The level of the budget, at the expense of which the costs should be funded and where the receipts should be credited, is not allowed to establish in other legislative acts of the Republic of Kazakhstan, except for this Code.

The transfer of expenses and certain types of receipts from one level of the budget to another shall be only when the amendments and supplement to the Code are made.

7. Compensation for losses of lower budgets, arising from the adoption of regulatory legal acts by higher authorities, which entail the increase of costs and (or) decrease of revenues during the period of activity of three-year volume of transfers of a general nature, shall be compulsory through the allocation of targeted current transfers from the higher budget.

8. Compensation for losses of higher budgets, arising from the adoption of legislative acts that entail the increase of costs due to the transfer of state functions from the lower level of state administration to the superior during the period of activity of the three-year volume of transfers of a general nature, shall be compulsory through the allocation of targeted current transfers from the lower budget.

Footnote. Article 42, as amended by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication); by the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).

### **Article 43. Principles of intergovernmental fiscal relations**

Intergovernmental fiscal relations are based on the following principles:

1) equality of regional budgets, budgets of the cities of republican significance, the capital city in relations with the republican budget, district (cities of regional significance) budgets in relations with the higher regional budget, budgets of the cities of district significance, villages , townships, rural districts in relations with the higher district (the cities of regional significance) budget;

2) the effective distribution of the proceeds, taking into account the simultaneous observation of the following criteria for their separation:

for the lower budgets the tax and non-tax revenues, which are stable and independent of external factors shall be fixed;

tax and non-tax revenues, representing the payment for services, rendered by state institutions arrive to the budget, whereof these services are funded;

taxes, having redistributive character and uneven distribution of the tax base are assigned to the higher levels of the budgets of the budgetary system;

when fixing taxes and other obligatory payments to the budget, the preference is given to the level of the budget, which will ensure the highest level of their collection;

taxes charged on the tax base, which has the clear territorial binding, are assigned to the local budgets;

3) the equalization of the level of fiscal capacity of the administrative-territorial units of the Republic of Kazakhstan;

4) ensuring the provision of the same level of public services by local executive bodies;

5) the efficiency and effectiveness of public services –the strengthening of public services for the level of government that can ensure the most effective and efficient provision of public services;

6) the maximum approaching of the level of public services to its beneficiaries - the transfer of execution of services at the lowest possible level of the budget system in order to

better address the needs of the beneficiaries and the improvement of quality of public services

**Footnote. Article 43 as amended by the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Article 44. Forms of regulation of intergovernmental fiscal relations**

1. Intergovernmental fiscal relations are regulated:

1) between the republican and the regional budget, the budgets of the city of republican status and the capital:

transfers;

budget loans;

2) between the regional and district (the city of regional importance) budgets:

transfers;

budget loans;

standards of income distribution;

3) between the district (the city of regional significance) budget and budgets of the cities of district significance, villages, townships, rural districts:

transfers;

budget credits.

2. Transfers between the levels of budget are divided into general transfers, target current transfers, targeted transfers for development;

3. Targeted transfers and budget loans shall be used by local executive bodies only in accordance with their intended purpose, defined in the relevant budget programs, with the exception of target current transfers transferred in accordance with subparagraph 1) of paragraph 2, Article 46 of this Code to compensate for losses resulting in a reduction local budget revenues.

Target current transfers transferred in accordance with subparagraph 1) of paragraph 2, of Article 46 of this Code to compensate for losses resulting in a reduction in local budget revenues shall be reflected only in the receipts of lower-level budgets.

4. The amounts of targeted transfers and budget loans, used for non-purposive intentions, in accordance with the audit conclusion, adopted on the results of the state audit, shall be subject to mandatory return to the higher budget that allocated these transfers and loans, no later than three months after the signing of the audit conclusion, adopted on the results of the state audit, in the manner, determined by the central authorized body on budget execution.

5. According to the decision of the Government of the Republic of Kazakhstan the amount of targeted transfers for development, allocated from the republican budget and unused (under-used) during the financial year, with the exception of the allocated from the reserve of the Government of the Republic of Kazakhstan, can be used (re-used) in the next financial year, in accordance with their intended purpose.

By the decision of the local executive body the amount of targeted transfers for development, allocated from the regional budget and unused (under-used) during the financial year, with the exception of the allocated from reserve of the local executive body of region, can be used (re-used) in the next financial year, in accordance with their purpose.

According to the decision of local executive body of the district (city of regional significance) unused (underused) during the financial year the amounts of targeted transfers on development, allocated from the regional (the city of regional significance) budget, with the exception of allocated from the reserve of the local executive body (the city of regional significance); may be used (pre-used) in the next financial year with the compliance with their targeted intention.

6. In case of savings formation, when using the targeted transfers on development, allocated from the republican, regional or district (the city of regional significance) budget, by the decision of the Government of the Republic of Kazakhstan, the local executive body of the region or the district (the city of regional significance), administrators of budget programs shall have the right to use up to the end of the current financial year the corresponding amount of savings to improve the indicators of the results of budget programs, on which the use of targeted transfers for the development from a higher budget was carried out.

7. Unused (underused) amounts of targeted transfers on the development during the financial year, allocated in the expired financial year, authorized to use (pre-use) by the decision of the Government of the Republic of Kazakhstan, local executive body of the region or district (the city of regional significance), shall be subject to return to a higher budget, allocated them, until the end of the current financial year.

Unused (underused) amounts of targeted transfers in the past financial year, allocated from the republican, regional or district (the city of regional significance) budget, for which the Government of the Republic of Kazakhstan, the local executive body of the region or district (the city of regional significance) did not make a decision on the further use (pre-use) in the current financial year shall be refunded to the higher-ranking budget that has allocated them before March 1<sup>st</sup> of the current financial year from the balance of budget funds for the beginning of the year.

8. Unused amounts of current targeted transfers in the past financial year from the republican, regional or district (the city of regional significance) budget shall be subject to return to the higher budget, that allocated them before March 1<sup>st</sup> of the current financial year from the balance of budget funds at the beginning of the year and the amounts of return from the lower budget to the higher budget, allocated these transfers, unused current targeted transfers.

**Footnote. Article 44, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon the expiry of**

ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

#### **Article 45. Transfers of a general character**

1. Transfers of a general character are budgetary subventions and budgetary withdrawals.

2. Budget subventions shall be transfers, transferred from higher budgets to lower budgets within the amounts, approved in the republican, regional or district (the city of regional significance) budget.

3. Budget exemptions shall be transfers, transferred from lower budgets to higher budgets within the amounts, approved in the republican, regional or district (the city of regional significance) budget.

4. The volume of transfers of a general nature shall be set in absolute terms for a three-year period with a breakdown by year:

between the republican budget and regional, the cities of republican significance, the capital city budgets – by the Law of the Republic of Kazakhstan;

between the regional budget and district (the cities of regional significance) budgets – by the decision of regional maslikhat;

between the district (the city of regional significance) budget and budgets of the cities of regional significance, villages, townships, rural districts – by the decision of the district maslikhat (the city of regional significance) on the district (the city of regional significance) budget.

The amounts of general transfers shall be subjects to change every three years, except for the amounts of general transfers between the district (the city of regional importance) budget and budgets of the cities of district significance, villages, townships, rural districts, which are set annually on a rolling basis for the planning period.

It is not allowed to change the volume of transfers of a general nature between the district (cities of regional significance) budget and the budgets of cities of district significance, villages, settlements, rural districts during the current financial year.

4-1. To the Law (the decision of the regional Maslikhat) on the amounts of general transfers or on the decision of the Maslikhat of the district (the city of regional significance) on the district (the city of regional significance) budget, the minimum amounts of financing from the local budget of certain directions of expenditures shall be applied.

The minimum amounts of financing from the local budget of certain directions of expenditures shall be determined by central or local authorized bodies of the relevant branch (sphere).

The directions of expenditures, for which the minimum amounts of their financing from the local budget are established, shall be determined taking into account their priority and social significance.

4-2. In the course of budget execution, local executive bodies of regions, cities of republican status, the capital, districts (cities of regional status), as well as the offices of akims of cities of district scale, villages, towns, rural districts shall have the right to redistribute funds according to budget programs (subprograms), for which minimum financing amounts are established from the local budget of certain expenditure areas, in agreement with the authorized body of the relevant industry (sphere), which determined the minimum amount of financing from the local budget of certain expenditure areas, to other expenditure areas.

In case of financing by local executive bodies of certain directions of expenditures from the local budget below the minimum amounts, established by law (by the decision of the regional Maslikhat) on the amounts of general transfers, the sum of exceeding the established amount, taking into account the changes introduced in it in accordance with part one of this paragraph over the annual sum of the consolidated plan of financing for payments at the end of the relevant financial year, following the results of the expired financial year shall be subject to refund to the higher budget not later the 1<sup>st</sup> of March of the current financial year.

In case of financing by the local executive bodies of certain directions of expenditures from the local budget below the minimum amounts, set by the Law (by the decision of regional Maslikhat) on amounts of general transfers, as amended, in accordance with the first part of this paragraph, the Akims of oblasts, the cities of republican significance, the capital city, districts, cities of regional significance shall bear responsibility in accordance with the laws of the Republic of Kazakhstan.

5. Transfers of a general nature are intended to equalize the level of fiscal capacity of regions and ensuring the equal fiscal capacity to provide the services guaranteed by the state in accordance with the directions of the costs, established by this Code to each level of the budget.

6. In determining the transfers of a general nature, the tax potential of the region, the number of users of public services in the region, the approved standards of public services and the factors affecting the cost of providing public services are taken into account depending on the specifics of a particular region.

7. The volume of transfers of a general nature is defined as the difference between the predicted amounts of income (net of transfers) and the expenses of the relevant local budget.

The volume of transfers of a general nature is determined by the central and local authorized bodies for state planning.

8. When exceeding the predicted amounts of income over the predicted amounts of expenses of the local budget, the budget withdrawals from the local budget to the higher budget are set.

When exceeding the predicted amount of expenses over the predicted amount of income of the local budget, the budget subventions to local budgets from the higher budget are set.

9. Predicted amounts of revenues and expenses of budgets of regions, cities of republican significance, capital city shall be calculated, based on the methods of calculation of general transfers, determined by the central authorized body on state planning.

Predicted amounts of revenues and expenses of the district budget (the city of regional significance) shall be calculated by the local authorized body on state planning area in the manner, determined by the local executive body area.

9-1. The prediction of revenues of the budgets of regions, cities of republican significance, the capital city for establishing the amounts of general transfers for a three-year period shall be determined by the central authorized body on state planning.

The prediction of the revenues of the budgets of districts (the cities of regional significance) for establishing the amounts of general transfers for a three-year period shall be determined by the local authorized body on state planning of the region.

9-2. The amounts of general transfers from the budgets of oblasts, cities of republican status, the capital shall be established taking into account:

1) the volume of current costs, taking into account the updated plan as of May 1 of the year preceding the planned period, in accordance with the methodology for calculating general transfers submitted by local executive bodies;

2) the forecast volume of current costs for preschool education and training, for primary, basic secondary and general secondary education, submitted by the authorized education body in agreement with local executive bodies of oblasts, cities of republican status, the capital;

3) information on indicators and coefficients, formed in accordance with the methodology for calculating general transfers, provided by the central authorized bodies of the relevant industries (spheres) in agreement with the local executive bodies of oblasts, cities of republican status, the capital;

4) information on the forecast of costs of local budget development programs aimed at implementing the documents of the State Planning System, provided by the central authorized bodies of the relevant industries (spheres) in agreement with the local executive bodies of oblasts, cities of republican status, the capital.

The central authorized body for state planning shall draft a conclusion on the calculation of general transfers and submit it for examination by the Republican Budget Commission.

Examination and determination of the general transfer amounts shall be completed no later than August 1 of the current financial year.

The heads of central authorized bodies of the respective industries (spheres) and akims of oblasts, cities of republican status, the capital shall be accountable for validity, reliability of the information provided for the calculation of general transfers in accordance with the laws of the Kazakhstan.

The central authorized bodies of the relevant sectors (areas) shall provide budgetary monitoring of the indicators used in the calculation of general transfers, targeted transfers included in the local budget base, and the minimum amount of funding established by the law on the general transfers volumes.

As of the end of the year, the central authorized bodies of the relevant industries (spheres) shall direct the budget monitoring results to the central authorized body for budget execution in order to generate an analytical report on the relevant budget program execution.

Budget monitoring and formation of an analytical report on the relevant budget program execution shall be carried out in accordance with the methodological and methodic approaches established by the authorized body for budget execution.

10. When calculating the amount of transfers of a general nature the targeted transfers and budgetary loans, allocated from the higher budget in the planning period, the expenses of the debt of the local executive body are not considered.

11. The order and frequency of transfers of general transfers shall be determined by the central authorized body for budget execution.

**Footnote. Article 45, as amended by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon the expiry of ten calendar days after its first official publication), dated 15.04.2013 No. 89-V (shall be enforced upon the expiry of thirty calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon the expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.07.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.06.2021 No. 60-VII (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 46. Targeted transfers**

1. Targeted transfers are divided into the targeted current transfers and targeted transfers for development.

2. The targeted current transfers are the transfers that are passed in the period of activity of the three years volume of transfers of a general nature in the amounts, approved in the republican or local budgets:

1) higher budgets to lower ones, aimed at compensating the losses of lower budgets, resulting from the adoption of laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, representative and executive bodies of the oblast, district (the city of regional significance), increasing expenditures and (or) reduction of incomes of local budgets;

2) by the lower budgets to the higher budgets, in order to compensate the loss of the higher budgets, resulting from the adoption of legislative acts, acts of the President of the Republic of Kazakhstan, entailing the increase of expenses of the higher budget in connection with the transfer of state functions from a lower level to a higher level of state administration.

3. Targeted transfers for the development shall be transfers, transferred by higher budgets to the lower ones within the limits, approved in the republican, regional, district (the city of regional significance) budget for the implementation of local budget programs on development.

4. Local executive bodies for determining the amounts of targeted transfers on the development shall submit an application to the relevant higher body, specifying the list of local budget investments and the amounts of expenditures for them.

5. Expenditures for local budget development programs shall be determined in local budgets, taking into account the amounts of transferred targeted transfers for development.

Targeted transfers on development for implementation of local budget investments shall be allocated to lower budgets in a single amount with a per-object distribution in budget programs.

Distribution of targeted transfers for development between local budget investments shall be carried out by local executive bodies, taking into account the amount of financing, provided in the relevant local budgets for these purposes, in accordance with the procedure, established by the central authorized body on budget planning.

5-1. Targeted transfers for development from higher budget to lower budgets shall be allocated by co-payment of investments from the lower local budget.

**Note!**

**Part two of paragraph 5-1 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

The condition of co-financing of budget investments from the lower-level local budget shall not apply to budget investment projects within the pilot national project in education.

6. Targeted transfers for the development to lower budgets shall be allocated when direct results of local budget investments are achieved, as determined in the budget programs on targeted transfers for the development, allocated in the previous financial year. The targeted transfer for the development shall not be reallocated for implementation of those local budget,

on which direct results were not achieved in the previous financial year and co-financing from the local budget was not ensured.

**Note!**

**Amendments to part one of paragraph 7 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

7. Expenses associated with an increase in the estimated cost of local budget investments implemented through targeted transfers for development from a higher-level budget, with the exception of a pilot national project in education, in connection with the adjustment of design estimates or inclusion of additional components in it that are not provided for in a feasibility study or a model project, shall be carried out at the expense of the relevant local budget.

**Note!**

**Part two of paragraph 7 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

In case of insufficient resources in the local budget, the expenses on increasing the estimated cost of local budget investments of strategic and (or) social importance, implemented through targeted transfers for development from the republican budget in the capital city, in connection with the adjustment of design estimates or inclusion of additional components in it not provided for in the feasibility study or the model project, which are more than 1,000,000 times the monthly calculation index established by the law on the republican budget, shall be carried out at the republican budget expense.

If there are insufficient resources in the local budget, the expenses on increasing the estimated cost of local budget investments, having strategic and (or) socially important significance, realized through targeted transfers for the development from the republican budget in the capital city city, in connection with the adjustment of design estimates or the inclusion of additional components in it, not provided in the feasibility study or the model project, amounting to more than 1,000,000 times the monthly calculation index, established by the law on the republican budget, shall be carried out at the expenses of the republican budget.

8. The procedure for consideration and selection of targeted transfers for the development shall be determined by the central authorized body on budget planning in agreement with the central authorized body on state planning.

9. Allocation of funds to the lower budgets from the reserves of the Government of the Republic of Kazakhstan and local executive bodies of the region, district (the city of regional significance) shall be carried out in the form of targeted transfers.

10. Targeted transfers to lower budgets shall be transferred by the administrator of the budget programs of higher budget on the basis of an individual financing plan for the corresponding budget program on payments, approved in accordance with the established procedure.

11. Excluded by the Law of the Republic of Kazakhstan dated 30. 11. 2017 № 112-VI ( shall be enforced upon expiry of ten days after its first official publication).

12. Excluded by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (shall be enforced from 01.01.2015).

12-1. Excluded by the Law of the Republic of Kazakhstan № 112-VI dated 30.11.2017 ( shall be enforced upon expiry of ten days after its first official publication).

13. Excluded by the Law of the Republic of Kazakhstan № 112-VI dated 30.11.2017 ( shall be enforced upon expiry of ten days after its first official publication).

14. Excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI ( shall be enforced upon expiry of ten days after its first official publication).

15. The Akim of the city of district significance, a village, a township, a rural district, on the results of the year, shall submit a report on the direct and final results, achieved through the use of allocated targeted transfers in accordance with budget programs (subprograms) to the relevant local executive body of the district (the city of regional significance).

The local executive body of the district (the city of regional significance) on the results of the year shall submit a report on the direct and final results, achieved through the use of allocated targeted transfers, in accordance with budget programs (subprograms) to the relevant local executive body of the region.

The local executive bodies of the regions, the cities of the republican significance, the capital city on the results of the year shall submit a report on the direct and final results, achieved through the use of allocated targeted transfers, in accordance with the budget programs (subprograms) to the relevant administrator of the republican budget programs.

Administrators of the republican budget programs on the results of the year shall submit a report on the direct and final results, achieved through the use of allocated targeted transfers, in accordance with the budget programs (subprograms) to the central authorized body on budget execution.

16. The procedure for transferring targeted transfers, drawing up and submitting a report on direct and final results, achieved through the use of allocated targeted transfers, as well as the form of a report on direct and final results, achieved through the use of allocated targeted transfers, shall be determined by the central authorized body for budget execution.

17. To conduct a current assessment of the republican and local budgets execution and the formation of single database on state audit and financial control, no later than five working days after the preparation of the report, local executive bodies of oblasts, cities of republican status, the capital shall file reports to the Supreme Audit Chamber of the Republic of Kazakhstan on direct and final results achieved through the use of allocated targeted transfers in accordance with budget programs (subprograms).

Footnote. Article 46 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten

calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 23.11.2012 No. 55-V (shall be enforced from the date of first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (see Article 2 for the procedure of enforcement); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 47. Budget loans to lower budgets**

1. Budget credits from the republican budget, budgets of region and district (the cities of regional significance) can be provided respectively to the regional budgets, budgets of the cities of republican significance, the capital city, regional (the cities of regional importance) budgets and budgets of the cities of district significance, villages, townships, rural districts at implementation of budget investment projects, on solution of the tasks of social policy of the state and in case of a predicted cash deficit during the financial year.

2. Budget credits to the lower budgets are allocated in accordance with this Code.

Footnote. Article 47, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication); dated 07.04.2016 № 487-V (shall be enforced from the date of signing); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 48. Responsibility for failure to achieve the results when using the transfers**

1. When allocating targeted transfers from a higher budget to the lower budget and their use, the following persons shall bear responsibility, established by the laws of the Republic of Kazakhstan:

1) is excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

2) the first head of administrators of budget programs of higher budget for not transferring targeted transfers to lower budgets in accordance with the individual financing plan for payments;

3) The Akim of the region, the city of the republican significance, the capital city, the district (the city of regional significance), the city of district significance, the village, the township, the rural district and the first head of the relevant administrators of local budget

programs for using of targeted transfers, not in accordance with the approved budget program , including with the full absorption of budget funds, failure to report on the results, achieved through the use of targeted transfers received;

4) The Akim of the region, the city of the republican significance, the capital city, the district (the city of regional importance), the city of district significance, the village, the township, the rural district, the first head of administrators of budget programs of lower budget for failure to obtain targeted transfers, received from the higher budget, resulting in failure to achieve the results;

5) The Akim of the region, the city of the republican significance, the capital city, the district (city of regional significance), the city of district significance, the village, the township, the rural district for co-financing budget investments from the local budget below the amount, specified by the administrator of the budget programs of the higher budget, transferring the targeted transfer for the development.

2. In case of delay in tender procedures by the administrators of the budget programs of the higher budget, who are a single organizer of the competition for public procurement through the targeted transfers, the first head of the administrator of the budget programs of the higher budget shall bear the responsibility established by the Laws of the Republic of Kazakhstan.

**Footnote.** Article 48 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication); as amended by the laws of the Republic of Kazakhstan dated 02.07.2014 № 225 -V (shall be enforced from 01.01.2015); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11. 2017 № 112-VI ( shall be enforced upon expiry of ten calendar days after its first official publication).

## **SECTION 2. DISTRIBUTION OF REVENUE AND EXPENSES BETWEEN THE BUDGET LEVELS**

### **Chapter 8. DISTRIBUTION OF BUDGET REVENUES BETWEEN REPUBLICAN, REGIONAL BUDGETS, BUDGETS OF THE CITIES OF REPUBLICAN SIGNIFICANCE, THE CAPITAL CITY, REGIONAL (THE CITIES OF REGIONAL SIGNIFICANCE) BUDGETS, BUDGETS OF THE CITIES OF DISTRICT SIGNIFICANCE, VILLAGES, TOWNSHIPS, RURAL DISTRICTS**

**Footnote.** Title of Chapter 8 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 49. Revenues to the republican budget**

1. Tax revenues to the republican budget are:

1) corporate income tax from large businesses according to the list approved by the central authorized body for state planning together with the central authorized body for budget execution, with the exception of receipts from organizations of the oil sector.

The list of large business entities provided by part one of this subparagraph shall be approved no later than May 1 of the previous year and shall not be subject to change during the period of the law on the volume of transfers of a general nature;

2) the value added tax, including manufactured goods, works performed and services, rendered in the territory of the Republic of Kazakhstan, and on the goods imported into the territory of the Republic of Kazakhstan;

3) the excise taxes on the goods, imported into the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan;

4) the excise taxes on the crude oil and gas condensate;

5) the tax on gambling;

6) the tax on excess profits, excluding revenues from the oil sector organizations;

7) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);

8) the bonuses, excluding revenues from the oil sector organizations;

9) the tax on extraction of mineral resources, excluding revenues from the oil sector organizations;

10) the rent tax on exports, excluding revenues from the oil sector organizations;

11) the share of the Republic of Kazakhstan on production sharing based on the contracts concluded, excluding revenues from the oil sector organizations;

12) the additional payment of subsoil user, who carrying out activities in a production sharing contract, excluding revenues from the oil sector organizations;

13) the fee for passing the vehicles in the territory of the Republic of Kazakhstan;

14) fee for the issuance of permits for the use of radio spectrum by television and radio broadcasters;

15) fee for registration of a television, radio channel, periodical, an information agency and a network publication;

16) the fee for state registration of medicines and medical devices, and their re-registration;

17) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

18) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

19) the charges for the provision of long-distance and (or) international telephony, and mobile communications;

20) the charges for the use of the radio spectrum;

- 21) the charges for the use of the specially protected natural areas of republican importance;
- 22-1) payment for digital mining;
- 22) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 23) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI ( shall be enforced from 01.01.2018);
- 24) is excluded in accordance with the Law of the Republic of Kazakhstan dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication);
- 25) the customs duties on the imported and exported goods;
- 26) customs fees, paid in accordance with the customs legislation of the Republic of Kazakhstan;
- 27) special, anti-dumping, countervailing duties, paid in connection with the application of measures to protect the domestic market;
- 27-1) advance payments, made in accordance with the customs legislation of the Eurasian Economic Union and the Republic of Kazakhstan in respect of payment of forthcoming payments, listed in subparagraphs 25), 26) and 27) of this item, as well as value added tax and excises on goods, imported to the customs territory of the Eurasian Economic Union;
- 28) the consular fee;
- 29) the state fee for affixing the apostille on the official documents, executed in the Republic of Kazakhstan, by the state bodies authorized by the Government of the Republic of Kazakhstan, in accordance with an international treaty ratified by the Republic of Kazakhstan;
- 30) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 31) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 32) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);
- 33) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 34) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 35) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 36) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);
- 37) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

37-1) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);

38) the fee for the state registration of space objects and the rights to them.

39) fee for the issuance of certificates, issued by an authorized civil aviation organization, on compliance with the certification requirements established by the legislation of the Republic of Kazakhstan on the use of the airspace of the Republic of Kazakhstan and aviation activities;

40) excluded by the Law of the Republic of Kazakhstan dated 03.07.2020 No. 359-VI ( shall be enforced from 01.01.2021);

41) fee for the issuance of permits, consent for the banking and insurance markets participants.

42) license fee for issuing a license related to the right to engage in certain sub-types of activities in hydrocarbons;

43) fee for issuing a document confirming the residence of a foreign national or stateless person who is an investment resident of the Astana International Financial Center.

2. Non-tax revenues to the republican budget shall be:

1) the income of the republican property:

revenues, the part of the net income of the republican state enterprises;

revenues, the part of the net income of the National Bank of the Republic of Kazakhstan;

dividends on the state-owned shares, owned by the Republic;

income on the ownership interests in legal entities, owned by the Republic;

income from lease of property owned by the Republic;

remuneration for placement of funds of state external loans on accounts with second-tier banks, on deposits of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan and on the daily balance of money on a single treasury account;

interest on loans, granted from the state budget;

income from the sale of arms and military equipment;

other income from the Republican property;

2) the revenues from the sale of goods (works, services) by the state institutions, financed from the state budget;

3) receipts of money from the public procurement, organized by the state institutions, financed from the state budget;

4) fines, penalties, sanctions, penalties imposed by state institutions financed from the republican budget, as well as maintained and financed from the budget (cost estimates) of the National Bank of the Republic of Kazakhstan, with the exception of revenues from organizations in the oil sector, to the victims compensation Fund, the education infrastructure support Fund and a Special state fund;

4-1) fee for the legalization of property;

5) other non-tax revenues to the republican budget, with the exception of revenues from oil sector organizations, to the victims compensation Fund, the education infrastructure support Fund and a Special state fund.

3. Revenues from the sale of fixed capital city to the republican budget shall be money from the sale of goods from the state material reserve.

4. Revenues of the transfers to the republican budget are:

1) transfers from regional budgets, budgets of the cities of republican significance, the capital city;

2) a guaranteed transfer to the republican budget from the National Fund of the Republic of Kazakhstan;

3) targeted transfer to the republican budget from the National Fund of the Republic of Kazakhstan.

5. Revenues from the repayment of credits, issued from the republican budget and government loans shall be credited to the republican budget.

**Footnote. Article 49, as amended by the Laws of the Republic of Kazakhstan dated 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010), dated 24.01.2011 No. 399-IV (the order of enforcement see Art. 2), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 06.01.2012 No. 529-IV (shall be enforced upon the expiry of twenty-one calendar days after its first official publication), dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.132-V (shall be enforced from 01.01.2014); dated 30.06.2014 № 214-V (shall be enforced from 01.09.2014); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2017, № 122-VI (shall be enforced from 01.01.2018); dated 26.12.2017 № 124-VI (shall be enforced from 01.01.2018); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 08.01.2019 No. 215-VI (shall be enforced upon expiry of three months after its first official publication); No. 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); No. 291-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 03.07.2020 No. 359-VI (shall be enforced from 01.01.2021); dated 24.06.2021 No. 52-VII (shall be enforced from 01.01.2022); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 29.12.2022 No. 174-VII (shall be enforced sixty calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

**Article 50. Revenues to the regional budget**

1. Tax revenues to the regional budget are:

1) the individual income tax on the normative standards of income distribution, established by regional maslikhat;

1-1) Was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

1-2) corporate income tax according to the income distribution standards established by the regional maslikhat in the amount of no more than fifty percent of the tax deductions received, with the exception of receipts from large businesses according to the list approved by the central authorized state planning body together with the central authorized budget execution body, and receipts from the oil sector organizations;

2) the social security tax on the normative standards of income distribution, established by regional maslikhat;

3) payment for negative impact on the environment;

4) excluded by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013);

5) is excluded in accordance with the Law of the Republic of Kazakhstan dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication);

6) the fee for the use of surface water resources;

7) the fee for the forest use;

7-1) a fee for issuing or extending a permit to attract foreign labor to the Republic of Kazakhstan;

7-2) payment for the use of plant resources in the order of special use of the plants;

8) the fee for the use of specially protected natural territories of local importance;

8-1) payment for the wildlife use;

8-2) payment on reimbursement of historical costs.

9) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

2. Non-tax revenue to the regional budget are:

1) income from municipal property:

Revenues from the part of the net income of municipal public enterprises, established by the decision of regional akimats;

dividends on the state-owned shares, which are the regional municipal property;

income for ownership interest in the legal entities that are in the regional municipal property;

revenues from lease of the property of regional municipal property;

interest on loans, granted from the regional budget;

remuneration, received from the placement of the temporarily free budget funds in the deposits;

- other income from the regional municipal property;
- 2) the revenues from the sale of goods (works, services) by the state institutions, financed from the regional budget;
  - 3) receipts of money from the public procurement, organized by the state institutions financed from the regional budget;
  - 4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the regional budget;
- 4-1) deductions from subsoil users for the socio-economic development of the region and the development of its infrastructure in accordance with the income distribution standards established by the regional maslikhat;
  - 4-2) funds received from facility operators on claims for damages, with the exception of receipts from the oil sector organizations;
  - 4-3) administrative fines, penalties, sanctions, charges imposed by justice officers, bailiffs and other court officers authorized by the chairman of the court or the person presiding at the judicial session, with the exception of receipts from oil sector organizations and offenses in taxation area;
- 5) other non-tax revenues to the regional budget.

3. The regional budget revenues from the sale of fixed capital are the money from the sale of the state property assigned to the state institutions, financed from the regional budget.

4. Revenues of the transfers to the regional budget are:

- 1) transfers from regional (the cities of regional importance) budgets;
- 2) transfers from the republican budget.

5. The income from repayment of loans, issued from the regional budget, from the sale of financial assets of the state that are in regional municipal property, the loans of the local executive bodies of regions are included to the regional budget.

**Footnote. Article 50, as amended by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2017, № 122-VI (shall be enforced from 01.01.2018); dated 27.12.2017 No. 126-VI (shall be enforced upon expiry of six months after its first official publication); dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019); dated 08.01.2019 No. 215-VI (shall be enforced upon expiry of three months after its first official publication); No. 291-VI dated 27.12.2019 (shall be enforced since 01.01.2020); No. 327-VI dated 13.05.2020 (shall be enforced ten calendar days after the day of its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of**

its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 02.01.2023 No. 184-VII (shall be enforced after the date of enforcement of the relevant amendments and additions to the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code)).

**Article 51. Revenues to the budgets of the city of republican significance and the capital**

1. Tax revenues to the budgets of the city of republican significance and the capital are:

1) the individual income tax;

1-1) Was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI;

1-2) corporate income tax, with the exception of receipts from large business entities according to the list approved by the central authorized body for state planning together with the central authorized body for budget execution, and receipts from organizations of the oil sector;

2) the social security tax;

3) the property tax of the individuals and legal entities, individual entrepreneurs;

4) the land tax;

5) the single tax on land;

6) the tax on vehicles;

7) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

8) the excise duties on:

all types of alcohol, produced on the territory of the Republic of Kazakhstan;

the alcohol products, produced on the territory of the Republic of Kazakhstan;

beer with the volume content of ethanol more than 0.5 percent, produced on the territory of the Republic of Kazakhstan;

tobacco, produced on the territory of the Republic of Kazakhstan;

cars (except for vehicles with manual control or manual control adapter specifically designed for persons with disabilities) manufactured in the territory of the Republic of Kazakhstan;

petrol (excluding aviation petrol), diesel fuel, gasohol, benzanol, nefras, light hydrocarbons mixtures and ecological fuel;

9) the fee for the use of surface water resources;

10) the fee for forest use;

11) payment for negative impact on the environment;

12) the fee for the use of specially protected natural territories of local importance;

12-1) payment for the use of wildlife;

13) the fee for the use of land;

13-1) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 ( shall be enforced ten calendar days after the date of its first official publication);

14) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI ( shall be enforced from 01.01.2018);

15) fee for the right to engage in certain types of activities (fee for issuing licenses to engage in certain types of activities);

15-1) payment for the use of licenses for engaging in certain types of activities;

16) fee for state (record) registration of legal entities, their branches and representative offices, with the exception of commercial organizations, as well as their re-registration;

17) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI ( shall be enforced from 01.01.2018);

18) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V ( shall be enforced from 01.01.2013);

19) the state fee, except consular fee and state fees payable to the state budget;

20) is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 No. 156-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

21) fee for the state registration of a pledge of movable property and mortgage of the vessel, as well as the state registration of an irrevocable authority to de-register and export the aircraft;

22) the fee for the state registration of vehicles, as well as their re-registration;

23) payment for placement of outdoor (visual) advertising in the open space outside the premises in the city of republican significance, the capital city, in the strip of allotment of public roads passing through the territory of the city of republican significance, the capital city;

24) fee for issuing or extending a permit to attract foreign labor to the Republic of Kazakhstan;

25) payment for reimbursement of historical costs.

2. Non-tax revenues to the budgets of the city of republican significance and the capital are:

1) the income from community property:

Revenues from the part of the net income of municipal public enterprises, established by the decision of akimats of the city of republican significance and the capital;

dividends on the state-owned shares in the community property of the city of republican significance and the capital;

income on interests in the legal entities that are in the community property of the city of republican significance and the capital;

income from the rental property of the community property of the city of republican significance and the capital;

interest on loans, granted from the budgets of the city of republican significance and the capital;

interest, received from the placement of temporarily free budget funds on the deposits;

other income from community property of the city of republican significance and the capital;

2) the revenues from the sale of goods (works, services) by the state institutions, financed from the budgets of the city of republican significance and the capital;

3) the revenues of money from the public procurement, organized by the state institutions, financed from the budgets of the city of republican significance and the capital;

4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the budgets of the city of republican significance and the capital;

4-1) deductions of subsoil users for social and economic development of the region and development of its infrastructure;

4-2) tourist fees for foreigners;

4-3) funds received from natural resources users on claims for compensation for harm, with the exception of receipts from the oil sector organizations;

4-4) administrative fines, penalties, sanctions, charges imposed by justice officers, bailiffs and other court officers authorized by the chairman of the court or the presiding officer in a court session, with the exception of receipts from oil sector organizations and offenses in taxation area;

5) other non-tax revenues to the budgets of the city of republican significance and the capital.

3. Revenues to the budget of the city of republican significance and capital from the sale of fixed assets are:

1) the money from the sale of state property, assigned to the state institutions, financed from the budgets of the city of republican significance

2) and capital;

2) the revenues from the sale of land, with the exception of agricultural land;

3) the fee for the sale of land lease rights.

4. Revenues of the transfers to the budgets of the city of republican significance and the capital are the transfers from the republican budget.

5. The revenues from the repayment of loans, granted from the budgets of the city of republican significance and the capital, from the sale of financial assets of the state that are in communal property of the city of republican significance and the capital, and from the loans of the local executive bodies of the city of republican significance and the capital are credited to the budgets of the city of republican significance and the capital.

**Footnote. Article 51, as amended by the Laws of the Republic of Kazakhstan dated 25.03.2011 No. 421-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated**

13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 09.04.2016 № 496-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2017, № 122-VI (shall be enforced from 01.01.2018); dated 27.12.2017 No. 126-IV (shall be enforced upon expiry of six months after its first official publication); dated 24.05.2018 No. 156-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 No. 203-IV (shall be enforced from 01.01.2019); dated 08.01.2019 No. 215-VI (shall be enforced upon expiry of three months after its first official publication); dated 02.04.2019 No. 241-IV (shall be enforced from 01.07.2019); No. 291-VI dated 27.12.2019 (shall be enforced since 01.01.2020); No. 327-VI dated 13.05.2020 (shall be enforced ten calendar days after the day of its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021); dated 30.04.2021 No. 34-VII (shall be enforced from 01.01.2022); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 27.06.2022 No. 129-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 52. Revenues to the district (the city of regional significance) budget**

Footnote. The title of Article 52 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The tax revenues to the district (the city of regional significance) budget shall be:

1) individual income tax according to the income distribution norms, established by the regional Maslikhat, except for the individual income tax on incomes, subject to taxation by individuals, who have declared in the territory of the city of district significance, village, township the registration of the state revenue agency:

location - for an individual entrepreneur, private notary, private bailiff, lawyer, professional mediator;

residence - for other individuals;

1-1) Was valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI;

1-2) corporate income tax according to the income distribution standards established by the regional maslikhat in the amount of at least fifty percent of the tax deductions received, with the exception of receipts from large businesses according to the list approved by the central authorized state planning body together with the central authorized execution budget body, and receipts from oil sector organizations;

2) the social security tax on the standards of the income distribution, established by regional maslikhat;

3) tax on property of individuals and legal entities, individual entrepreneurs, except for the tax on the property of individuals on objects, subject to this tax, located on the territory of the city of district significance, a village, a township, a rural district;

4) land tax, except for the land tax on the lands of settlements from individuals and legal entities to land plots, located on the territory of the city of district significance, a village or a township;

5) excluded by the Law of the Republic of Kazakhstan dated 30.06.2021 No. 60-VII (shall be enforced from 01.01.2022).

6) tax on vehicles, except for the tax on vehicles:

from individuals, whose place of residence is on the territory of the city of district significance, a village, a township;

from legal entities, the location of which, indicated in their constituent documents, is located on the territory of the city of district significance, a village, a township;

7) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

8) the excise duties on:

all types of alcohol, produced on the territory of the Republic of Kazakhstan;

the alcohol products, produced on the territory of the Republic of Kazakhstan;

beer with the volume content of ethanol more than 0.5 percent, produced on the territory of the Republic of Kazakhstan;

tobacco, produced on the territory of the Republic of Kazakhstan;

cars (except for vehicles with manual control or manual control adapter specifically designed for persons with disabilities) manufactured in the territory of the Republic of Kazakhstan;

petrol (excluding aviation petrol), diesel fuel, gasohol, benzanol, nefras, light hydrocarbons mixtures and ecological fuel;

9) payment for the use of land plots, with the exception of land plots located on the territory of a city of district significance, a village, a township;

10) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018);

11) license fee for the right to pursue certain types of activities (fee for issuing licenses to pursue certain types of activities);

11-1) payment for the use of licenses for engaging in certain types of activities;

12) fee for state (account) registration of legal entities, their branches and representative offices, with the exception of commercial organizations, as well as their re-registration;

13) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018);

14) the fee for the state registration of vehicles, as well as their re-registration;

15) is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

16) the fee for the state registration of a pledge of movable property and mortgage of a vessel, as well as the state registration of an irrevocable authority to de-register and conveyance of the aircraft;

17) payment for placement of outdoor (visual) advertising in the open space outside the premises in the city of regional significance, in the strip of allotment of public roads passing through the territory of the city of regional significance;

18) the state fee, except consular fee and state fees payable to the state budget;

1-1. The tax revenue to the budget of the city of regional significance is the unified land tax.

2. Non-tax revenues to the district (the city of regional significance) budget shall be:

1) the income from community property:

Revenues from the part of the net income of municipal public enterprises, established by the decision of akimats of the region (the city of regional importance);

dividends on the state-owned shares in the community property of the region (the city of regional importance);

income on interests in the legal entities that are in the community property of the region (the city of regional importance);

incomes from the lease of communal property of the district (the city of regional significance), except for the income from the lease of communal property of the district (the city of regional significance), which is managed by Akims of the city of district significance, a village, a township, a rural district;

remuneration on credits, issued from the district (the city of regional significance) budget;

other income from community property of the region (the city of regional importance);

2) revenues from the sale of goods (works, services) by state institutions, financed from the district (the city of regional significance) budget;

3) revenues of money from public procurement, organized by state institutions, financed from the district (the city of regional significance) budget;

4) fines, penalties, sanctions, charges imposed by state institutions financed from the district (city of regional significance) budget, except for fines imposed by akims of the cities of regional significance, villages, townships, rural districts;

4-1) deductions from subsoil users for the socio-economic development of the region and the development of its infrastructure in accordance with the income distribution standards established by the regional maslikhat ;

4-2) tourist fees for foreigners;

5) other non-tax revenues to the district (the city of regional significance) budget.

3. Revenues to the district (the city of regional significance) budget from the sale of fixed capital city shall be:

1) money from the sale of state property, assigned to state institutions, financed from the district (the city of regional significance) budget;

2) proceeds from the sale of land plots, with the exception of proceeds from the sale of agricultural land plots or those located on the territory of a city of district significance, a village, a township;

3) payment for the sale of the right to lease land plots, with the exception of land plots located on the territory of a city of district significance, a village, a township.

4. Revenues of transfers to the district (the city of regional significance) budget shall be transfers from the regional budget and budgets of the cities of district significance, villages, townships, rural districts.

5. Revenues from the repayment of credits, issued from the district (the city of regional significance) budget, from the sale of financial assets of the state, being in the communal ownership of the district (the city of regional significance), loans of the local executive body of the district (the city of regional significance) shall be credited in the district (the city of regional significance) budget.

Footnote. Article 52, as amended by the Law of the Republic of Kazakhstan dated 25.03.2011 No. 421-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.12.2017, № 122-VI (shall be enforced from 01.01.2018); dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.10.2018 No. 184-VI (shall be enforced upon expiry of six months after its first official publication); dated 26.12.2018 No. 203-VI (shall be enforced from 01.01.2019); dated 08.01.2019 No. 215-VI (shall be enforced upon expiry of three months after its first official publication); dated 02.04.2019 No. 241-VI (shall be enforced from 01.07.2019); No. 291-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.04.2021 No. 34-VII (shall be enforced from 01.01.2022); dated 30.06.2021 No. 60-VII (shall be enforced from 01.01.2022); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 27.06.2022 No. 129-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication);

**Article 52-1. Revenues to the budgets of the city of district significance, village, township, rural district**

1. Tax revenues to the budgets of the city of district significance, village, township, rural district shall be:

1) individual income tax on incomes, subject to taxation by individuals, who have declared on the territory of the city of district significance, a village, or a township, when registering in a state revenue body:

location - for an individual entrepreneur, a private notary, a private bailiff, a lawyer, a professional mediator;

residence - for other individuals;

2) the tax on the property of individuals on the objects of taxation of this tax, located on the territory of the city of district significance, a village, a township, a rural district;

3) land tax on the lands of settlements from individuals and legal entities for land plots, located on the territory of the city of district significance, a village, a township;

3-1) unified land tax;

4) tax on vehicles:

from individuals, whose place of residence is on the territory of the city of district significance, a village, a township;

from legal entities, the location of whom, indicated in their constituent documents, is located on the territory of the city of district significance, a village, a township;

4-1) payment for the use of land plots;

5) payment for outdoor (visual) advertising:

in the open space outside the premises in the city of district significance, village, township

;

in a strip of allotment of the public roads passing through the territory of the city of regional significance, the village, the township, the rural district;

in the open space outside the premises outside settlements and outside the strip of allotment of public roads.

2. Non-tax revenues to the budgets of the city of district significance, a village, a township, a rural district shall be:

1) fines imposed by Akims of the cities of district significance, villages, townships, rural districts for administrative offenses;

2) voluntary fees of individuals and legal entities;

3) incomes from communal property of the city of district significance, a village, a township, a rural district (municipal property of local government):

revenues of a part of the net income of communal state enterprises, created by the decision of the Akim apparatus of the city of district significance, a village, a township, a rural district;

incomes on shares of participation in legal entities, being in municipal ownership of the city of district significance, a village, a township, a rural district (municipal property of local self-government);

incomes from the lease of communal property of the city of district significance, a village, a township, a rural district (municipal property of local self-government);

other incomes from municipal property of the city of district significance, a village, a township, a rural district (municipal property of local self-government);

4) other non-tax revenues to the budgets of the city of district significance, a village, a township, a rural district.

3. Revenues to the budgets of a city of district significance, a village, a township, a rural district from the sale of fixed capital is:

1) money from the sale of state property assigned to state institutions financed from the budgets of a city of district significance, a village, a township, a rural district;

2) proceeds from the sale of land plots, with the exception of proceeds from the sale of agricultural land plots;

3) payment for the sale of the right to lease land.

4. Revenues of transfers to the budgets of the city of district significance, a village, a township, a rural district shall be transfers from the district (the city of regional significance) budget.

**Footnote.** Chapter 8 is supplemented by Article 52-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 08.01.2019 № 215-VI (shall be enforced upon expiry of three months after its first official publication); dated 30.06.2021 No. 60-VII (shall be enforced from 01.01.2022).

#### **Article 52-2. Revenues to the victims compensation Fund**

1. Non-tax revenues to the victims compensation Fund shall be:

1) compulsory payments collected by the court;

2) monetary penalties imposed by the court for non-performance of procedural obligations provided in Articles 71, 78, 80, 81, 82, 90, 142, 156 and 165 of the code of Criminal procedure of the Republic of Kazakhstan, and violation of the order in court session on the victim, witness, specialist, interpreter and other persons, except for the lawyer, prosecutor and defendant;

3) monetary penalties from the convicted person, in respect of whom the conviction of the court has entered into legal force and to whom the punishment in the form of correctional labor has been imposed;

4) money recovered in the order of recourse claims in accordance with article 11 of the Law of the Republic of Kazakhstan "On the Victims Compensation Fund";

5) other sources not prohibited by the legislation of the Republic of Kazakhstan.

**Footnote.** Chapter 8 is supplemented by Article 52-2 in accordance with the Law of the Republic of Kazakhstan dated 10.01.2018 No. 132-V (the order of entry into force from 01.07.2018).

#### **Article 52-3. Revenues to the Education Infrastructure Support Fund**

Non-tax revenues to the Education Infrastructure Support Fund shall be:

1) money donated into state ownership from individuals and (or) legal entities for the purposes of the Education Infrastructure Support Fund;

2) money that came into state ownership from its confiscation by a judicial act issued on a corruption offense;

3) money received into state ownership from the sale of confiscated property by a judicial act issued on a corruption offense;

4) Was valid from 01.01.2022 to 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII;

5) Was valid from 01.01.2022 to 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

Footnote. Chapter 8 shall be supplemented by Article 52-3 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII (for the procedure of entry into force, see Article 2).

#### **Article 52-4. Revenues to the Special state fund**

Non-tax revenues to the Special state fund are:

1) money, including from the sale of property returned in accordance with the Law of the Republic of Kazakhstan "On the return of illegally acquired assets to the state";

2) money from the sale of other property that became the property of the management company or as a result of its asset management activities in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state.

Footnote. Chapter 8 is supplemented by Article 52-4 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).

### **Chapter 9. INCOME DISTRIBUTION BETWEEN THE LEVELS OF THE BUDGET**

#### **Article 53. Expenditures of the republican budget**

1. Expenditures of the republican budget are made in the following areas:

1) state functions of a general nature:

provision, servicing and protection of the President of the Republic of Kazakhstan and his family;

functioning of the Parliament of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and the Constitutional Court of the Republic of Kazakhstan;

maintaining the activities of the Human Rights Commissioner in the Republic of Kazakhstan;

holding of referendums and elections, except for the elections, financed from the regional budget;

state planning at the republican level;

activity of state revenue bodies;

organization of execution of the republican budget and cash services of local budgets, budget accounting and reporting on budget execution;

management of republican property;

organization of rehabilitation procedure, the procedure of bankruptcy and liquidation of the debtor without instituting bankruptcy proceedings, as well as conducting liquidation procedures by court decision on the grounds, provided by the civil legislation of the Republic of Kazakhstan;

organization of a unified system of public procurement;

state audit and financial control, financial monitoring;

foreign policy activity of the state;

conducting fundamental and applied scientific research, commercialization of the results of scientific and (or) scientific and technological activities, funding of scientific organizations included in the list of scientific organizations approved by the authorized body in science, carrying out fundamental scientific research;

conducting fundamental and applied scientific research, commercialization of the results of scientific and (or) scientific and technical activities;

statistical activity of state statistics bodies;

organization of a unified system of public service;

state attestation of scientific personnel;

awarding of state premiums and state awards in various branches and spheres of activity in accordance with the legislation of the Republic of Kazakhstan;

financing of political parties activity;

activities of the authorized body for regulation, control and supervision of the financial market and financial organizations;

2) defense, public order and safety:

organization and provision of national defense;

mobilization training and mobilization, conducted by the central executive bodies;

formation and storage of state material reserves, with the exception of medicines and medical devices of the mobilization reserve;

national security;

countering terrorism and extremism and separatism;

protection of the state secrets;

organization of activities related to the implementation of universal conscription, with the exception of activities financed from the regional budget, the budgets of the city of republican importance, the capital and region (the city of regional importance);

protection of the public order and public safety in the territory of the Republic of Kazakhstan, with the exception of areas financed from the regional budget, the budgets of the city of republican significance and the capital;

organization of activity in the field of civil protection and emergency situations of a social nature;

prevention and liquidation of emergency situations of natural and man-made nature of global, regional scale and their consequences;

organization and provision of activities of professional emergency services;

provision of activities of the state fire service;

organization of civil defense;

maintenance of the state cadastre of civilian and service weapons and their ammunition;

Law enforcement activities in the economic and financial fields;

migration activities;

production of identity documents;

implementation of the operation of the equipment and information systems of the registration offices of documentation and registration of the population;

3) the legal, judicial, penal activity:

activities in the field of justice;

legal protection of the interests of citizens and the state;

execution of a socially significant category of cases;

securing the Law and order;

State Legal Statistics and Special Accounts;

activity of the forensic examination;

functioning of the judicial system;

organization and provision of activity of the correctional system;

4) education:

general education of gifted children in the republican education organizations;

carrying out extra-curricular activities of republican importance;

training of specialists with postgraduate, technical and vocational, post-secondary and higher education in educational institutions, funded from the state budget;

advanced training and re-training of personnel at the republican level;

providing the textbooks and teaching materials to the republican organizations of secondary education, as well as compatriots, studying in foreign schools, in accordance with international treaties;

5) healthcare:

provision by healthcare organizations of a guaranteed volume of free medical care, except for costs financed from local budgets;

organization of an emergency medical service in the elimination of emergency situations of a social, natural and man-made character at the republican level;

conducting forensic medical, forensic psychiatric and forensic narcological examination;

counteraction to especially dangerous infections;

ensuring the sanitary and epidemiological welfare of the population by the sanitary and epidemiological service;

medical care of military personnel, employees of special state and law enforcement agencies and certain categories of civil servants and citizens in accordance with the legislative acts of the Republic of Kazakhstan;

activities in the field of public health protection, except for expenses financed from local budgets and the social health insurance fund;

target contribution to the social health insurance fund;

target contribution to the social health insurance fund;

formation and storage of state material reserves, with the exception of medicines and medical devices of the mobilization reserve;

6) social assistance and social security:

pension payments to citizens entitled to pensions under the legislation of the Republic of Kazakhstan on social protection out of budgetary funds;

the state social benefits;

the state special allowance;

the special state benefits;

burial allowance for pensioners, veterans of the Great Patriotic War, recipients of state benefits established by legislative acts of the Republic of Kazakhstan;

the one-off state benefit payment that is granted and paid in the birth of the child;

the monthly state benefit, which is granted and paid to care for a child up to the age of one year;

a monthly state benefit assigned and paid to a mother or father, an adoptive parent (adopter), guardian (custodian) raising a child with a disability;

a monthly state allowance, appointed and paid to the mothers of many children, awarded with pendants "Altyn alka", "Kumis alka" or received the title "Mother-Heroine", awarded with the Order of "Mother's Glory" of I and II degrees;

the social assistance to the persons residing in the areas of environmental disasters, provided by legislative acts of the Republic of Kazakhstan;

welfare payments to the families of military personnel, employees of special state bodies, officers of Law enforcement agencies and the state fire service, provided by the legislative acts of the Republic of Kazakhstan;

social benefits to victims and injured from political repressions, provided by the legislative acts of the Republic of Kazakhstan;

social benefits, which are obligations of the Government of the Republic of Kazakhstan;

provision of social assistance to candas;

implementation of migration policy;

monthly state allowance assigned and paid to large families with four or more minor children living together, including children enrolled in full-time general education or

vocational programs in organizations of general secondary, technical and vocational, post-secondary, higher and (or) postgraduate education, after they reach the age of majority until graduation from educational organizations (but not more than until they reach the age of twenty-three);

7) culture, sports, tourism and information space:

revival, preservation, development and distribution of the Kazakh national culture and other national cultures;

support of theater and music, production of domestic films and museology of republican importance;

carrying out socially relevant activities in the field of culture and the state youth policy;

preservation of historical and cultural heritage of international and republican importance;

support of the development of national and mass sports at the republican level;

development of high performance sport;

preparation and participation of members of national teams of the Republic of Kazakhstan in kinds of sport (national teams in kinds of sport) in international sport competitions;

functioning of state republican sports organizations;

preparation and dissemination of information about Kazakhstan and its tourist opportunities on the international tourist market and within the state;

preservation of archival collection of republican importance;

functioning of republican libraries;

conducting of public information policy at the republican level through the media;

development of the state language and other languages of Kazakhstan;

distribution of television and radio broadcasting organizations by means of satellite broadcasting systems;

advanced training and retraining of employees of cultural institutions at the republican level;

8) agro-industrial complex, water, forestry, fisheries, specially protected natural areas and environmental protection, land relations:

ensuring the protection and rational use of water resources, development of water balances, schemes for the integrated use and protection of water resources, forward-looking the use and protection of water resources, providing an information and analytical system for the use of water resources;

maintaining state water accounting, state water cadastre;

operation of transboundary water facilities and water facilities of republican significance, not related to water supply;

restoration of especially emergency water facilities and irrigation and drainage systems of republican significance;

monitoring and assessment of the reclamation state of irrigated lands;

maintaining state records of forest resources, fauna, specially protected natural areas of republican significance, state cadastres of natural resources, state monitoring of forests and wildlife;

forest management;

forest seed production and selection;

maintaining the state forest cadastre, state cadastres of wildlife, specially protected natural areas;

aerial work to protect forests from fire, protection from pests and forest diseases;

protection and reproduction of fish resources and other aquatic animals;

government regulation of fishing and protection of fish stocks;

maintenance of specially protected natural areas of republican significance, restoration of the state natural reserve fund;

compensation for losses caused to owners of land plots or land users in cases established by the land legislation of the Republic of Kazakhstan;

state monitoring of the environment;

environmental protection measures at the republican level;

carrying out the state ecological expertise;

issuance of environmental permits;

hydrometeorological monitoring;

regulation of land relations at the republican level;

maintaining the state land cadastre, land monitoring;

topographic, geodetic and cartographic work;

diagnosis of animal diseases, anti-epizootics, including the purchase, delivery, storage, use of veterinary drugs, including stock, as well as the elimination of foci of acute infectious diseases of animals, birds and disinfection;

phytosanitary monitoring;

laboratory examination of regulated products and detection of latent contamination in seeds and planting materials;

revealing, localization, elimination of foci of spread of quarantine objects and alien species;

purchase of pesticides, including stock, services related to their delivery, storage and use;

implementation of mechanisms to stabilize prices for socially significant food products;

variety testing, determination of varietal and sowing qualities of seed and planting material;

agrochemical and agroclimatic support of agricultural production;

state regulation of technical support of the agro-industrial complex;

ensuring sustainable development of the agro-industrial complex, providing its entities with certain types of services that are absent or poorly represented in the competitive market;

organization of the information and marketing system of the agro-industrial complex;

development of agricultural production management systems;  
insurance support in the agricultural sector;  
preservation and development of the gene pool of high-value varieties of plants, breeds and species of farm animals, birds and fish;  
carrying out activities for the reclamation of irrigated lands;  
subsidizing the agro-industrial complex in areas in accordance with the laws of the Republic of Kazakhstan;  
organization of passenger transportation on priority international air routes;

9) industry, subsurface use, architectural, town-planning and construction activity:  
implementation of the state's industrial policy;  
development of fuel and energy complex;  
monitoring of subsoil and subsoil use, seismological information;  
state geological studies;  
formation of geological information;  
closure and liquidation of mines and quarries, industrial waste disposal;  
maintenance of the state town planning cadaster of republican importance;  
acquisition and development of building codes and standards;  
control in the field of architecture, town-planning and construction activity;

9-1) energy conservation and energy efficiency:  
implementation of measures for energy conservation and energy efficiency at the republican level;

10) transport and communications:  
construction, reconstruction, repair and maintenance of roads of international and national importance, as well as traffic engineering on them;  
organization and regulation of activity of water transport;  
maintenance of navigable routes, locks and ensuring the safety of navigation and navigation;  
navigational and hydrographic support of shipping lanes;  
state regulation of air and water transport;  
passenger transportation on socially important interregional communications;  
development of main railway lines;  
aerospace activities;  
monitoring of the radio frequency spectrum and radio-electronic equipment;

11) regulation of economic activity:  
standardization, metrology and certification;  
registration and protection of patents, trademarks;  
state innovation policy;  
control in specific goods area;  
trade and anti-dumping regulation;

development and protection of competition;  
state regulation of prices and natural monopolies;  
state support for private enterprise;  
state support for social entrepreneurship;  
11-1) housing and utilities infrastructure:  
acquisition, development and improvement of standard technical documents;  
modernization and development of heat supply facilities, electricity, gas, water and sanitation, within the limits of settlements, as well as community redevelopment;  
regulation of the distribution of municipal waste;  
conducting the applied research and development work;  
personnel and information and analytical support;  
centralized development of feasibility studies, pre-investment feasibility study of modernization and development of engineering infrastructure of settlements by the authorized body in the field of public utilities;  
survey and evaluation of the technical condition of the objects of housing and utilities infrastructure;  
forming an information system for monitoring and control of housing and utilities infrastructure;  
implementation of measures on energy and resource conservation;  
12) other areas:  
transfers to regional budgets, budgets of the cities of republican significance, the capital city;  
servicing and repayment of government debt;  
fulfillment of the obligations on state guarantees;  
fulfillment of obligations under state guarantees for export support;  
transaction costs of hedging of the government loans;  
performance of the obligations under the guarantees of the state;  
fulfillment of state obligations on public-private partnership projects, including state concession obligations, the Government of the Republic of Kazakhstan;  
reimbursement of expenses under a contract of trust management of state property;  
fulfillment of state obligations on payments, non-transferable promissory notes (bills of credit), relating to the membership of the Republic of Kazakhstan, and donor contributions to international financial organizations;  
expenses for early repayment of government debt, including the purchase of government securities issued;  
expenses for fulfillment of the state order for the implementation of strategic partnership.

2. The costs of:

1) the capital expenditure of the central state bodies and state institutions, providing public services or carrying out the activities, specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;

2) budget investment projects, fulfillment of state obligations under public-private partnership projects, including state concession obligations, the Government of the Republic of Kazakhstan, international cooperation, applied scientific researches, analytical and sociological researches and normative-methodical support on the directions, indicated in paragraph 1 of this Article;

3) other public services and activities of the central state bodies, stipulated by legislative acts of the Republic of Kazakhstan, - are also financed from the republican budget.

3. Financing the costs in the areas, specified in this Article from the budgets of other levels are not permitted.

4. The costs of the central state bodies and their local units, financed from the republican budget, are planned on the basis of the limits of staff numbers, approved by the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, taking into accounts the natural norms and standards of public services.

When the number of employees of state bodies is reduced by the head, the amounts of funds, provided to ensure the activities of state bodies, calculated in accordance with the approved limits of staff numbers, shall be retained after state bodies for the corresponding and subsequent years.

When reducing the staffing limits of a state body, the amount of funds provided for ensuring the activities of state bodies, calculated in accordance with the approved staffing limits, shall be retained by state bodies for the corresponding and subsequent years.

**Footnote. Article 53, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 19.03.2010 No. 258-IV; dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 08.04.2010 No. 266-IV (the order of enforcement see Art. 2), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 29.12. 2010 No. 373 -IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 22.07.2011 No. 479-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 12.01.2012 No. 540-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542 - IV (shall be enforced upon expiry of six months after its first official publication), dated 13.02.2012 No. 553-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 10.07.2012 No. 33-V (shall be enforced from 01.01.2012), dated 29.01.2013 No. 74-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 29.01.2013 No. 74 -V (shall be enforced upon**

expiry of ten calendar days after its first official publication), dated 15.04.2013 No. 89-V ( shall be enforced upon expiry of thirty calendar days after its first official publication), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 17.01.2014 No. 165-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 21.01.2014 No. 167-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.03.2014 № 177-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2014 № 229-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 13.01.2015 № 276-V (shall be enforced from 01.01.2016); dated 28.10.2015 № 369-IV (shall be enforced from 01.01.2018); dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 31.10.2015 № 380-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 393-IV (shall be enforced upon expiry of ten calendar days after its first official publication); ); No. 406-V dated 16.11.2015 (see Art. 3 for the enactment procedure); dated 04.12.2015 № 435-IV (shall be enforced from 01.01.2016); dated 22.12.2016 № 29-VI (shall be enforced from 01.01.2017 ); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 No. 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication; No. 249-VI dated 19.04.2019 (shall be enforced since 01.01.2020); No. 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); No. 268-VI dated 28.10.2019 (see Art. 2 for the enactment procedure); No. 287-VI dated 26.12.2019 (shall be enforced since 01.01.2020); dated 06.05.2020 No. 323-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 13.05.2020 No. 327-VI ( shall be enforced from 01.01.2021); dated 25.05.2020 No. 332-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021); dated 31.03.2021 No. 24-VII (shall be enforced ten calendar days after the day of its first official publication); dated 24.06.2021 No. 52-VII (shall be enforced from 01.01.2022);); dated 15.11.2021 No. 72-VII (

shall be enforced from 01.01. 2022); dated 29.12.2021 No. 91-VII (shall be enforced ten calendar days after the date of its first official publication); dated 27.06.2022 No. 129-VII ( shall be enforced ten calendar days after the date of its first official publication); dated 04.07.2022 No. 134-VII (shall be enforced from 01.01.2023); dated 05.11.2022 No. 157-VII ( shall be enforced from 01.01.2023); dated December 28, 2022 No. 173-VII (shall be enforced upon the expiration of sixty calendar days after the day of its first official publication); dated 19.04.2023 No. 223-VII (effective from 01.01.2024); dated 20.04.2023 No. 226-VII (shall be enforced from 01.07.2023).

#### **Article 54. Expenditures of the regional budget**

1. Expenditures of the regional budget are made in the following areas:

1) the state functions of a general nature:

the functioning of the local representative and executive bodies of the regional level;

Support and conduct of elections of akims;

state planning at the regional level;

supporting the execution of the regional budget;

management of the regional community property;

2) defense, public order and safety:

mobilization preparation and mobilization, preparation of territorial defense and territorial defense of the regional scale, including providing the territorial bodies of the regional territorial troops with office premises, vehicles, technical means of information, telecommunications and communications, furniture and barracks equipment, including their maintenance, maintenance and repair, the purchase of fuel - lubricants, stationery, as well as the costs of paying for utilities, electricity, heating and communication services, creating stocks of material and technical means in accordance with the standards of the standard wartime requirements when conducting a special deployment of territorial troops, conducting fees with military-liable territorial defense units;

protection of public order and provision of public security in the territory of the region;

the civil defense in the regional scale;

activities in the performance of military duties to ensure and maintain the regional military authorities by appointed recruiting (teams) items, medicines, tools, health and economic assets, road transport, communications, medical, and technical workers, and by service personnel and the establishment of health commissions;

prevention and liquidation of emergency situations of natural and man-made nature of local scale and their consequences;

escorting by the bodies of internal affairs;

activities for citizenship, emigration and immigration, working with foreigners and fight against illegal migration;

operation of detention centers, special reception centers for persons, who are subject to administrative detention, reception centers for persons with no fixed abode and documents, nurseries for service animals;

maintenance of the activities of the authorized body for road safety, except for financing payment for the production of state license plates, driving license forms and forms of state registration of vehicles;

maintenance, service and repair of premises and vehicles, including the purchase of fuel and lubricants, as well as payment for utility services, electricity, heating and telecommunications services of the territorial bodies of internal affairs, with the exception of the costs of e-mail services, video conferencing communications and surveillance of the situation center devices of the territorial bodies, financed from the republican budget;

### 3) education:

preschool education and training in districts (cities of regional significance), cities of district significance, villages, towns, rural districts, including the organization of medical care in organizations of preschool education and training located in cities of district significance, villages, towns, rural districts, and also ensuring the activities of organizations of preschool education and training located in the districts of cities of regional significance;

primary, basic secondary and general secondary education, including evening (shift) form of education, and general secondary education provided through boarding schools in state educational organizations located in districts (cities of regional significance);

purchase and delivery of textbooks and educational and methodological complexes for educational organizations that implement general education curricula for pre-school preparation, primary, basic secondary and general secondary education, professional curricula for technical and vocational, post-secondary education, as well as special and specialized general education curricula;

additional education for children, carried out at the regional, district (city) levels;

training of specialists with technical and professional, post-secondary, higher and postgraduate education, with the exception of those financed from the republican budget;

teaching children according to special general education curricula;

education of gifted children in specialized educational organizations;

technical and vocational, post-secondary education;

holding school Olympiads of the regional, district (city) scale;

advanced training and retraining of employees of state organizations financed from budgetary funds at the local level;

training of participants in the electoral process;

examination of the mental health of children and adolescents and the provision of psychological, medical and pedagogical consultative assistance to the population;

rehabilitation and social adaptation of children and adolescents with developmental problems;

material and technical support of state educational organizations that implement general educational curricula of primary, basic secondary and general secondary education, professional curricula of technical and vocational, post-secondary education, as well as special and specialized general educational curricula (with the exception of educational institutions in correctional institutions of the penitentiary systems);

state provision of orphans, children left without parental care, their mandatory employment and housing;

free and reduced-price meals for certain categories of students of educational organizations located in regions, districts (cities of regional significance), and pupils of educational organizations located in districts (cities of regional significance), in the manner prescribed by the legislation of the Republic of Kazakhstan;

methodical work;

functioning of centers for adaptation of minors;

medical care for students and pupils of educational organizations located in districts (cities of regional significance), with the exception of preschool organizations and organizations of secondary education that are not related to boarding schools;

organization of free transportation of students to the nearest school and back in rural areas ;

4) health care:

additional provision of a guaranteed volume of free medical care by the decision of local representative bodies of regions;

acquisition and storage of vaccines, immune and biological and other medical preparations in accordance with the legislation of the Republic of Kazakhstan;

medical assistance to persons held in pre-trial detention facilities of the penitentiary (penal ) system;

medical assistance to persons held in the penitentiary (penal) system institutions;

other measures in the field of public healthcare, except for the directions, financed from the republican budget and social healthcare insurance fund;

5) social assistance and social security:

social security for orphans, children left without parental care;

social security for the elderly and disabled persons, including children with disabilities, with the exception of social assistance types financed from the district (city of oblast status) budget;

implementation of migration activities at the local level;

6) housing and utilities infrastructure:

gasification of settlements;

measures to protect the regional community property;

7) culture, sports, tourism and information space:

support theater and music of local importance;

support for cultural and leisure work;  
holding of socially significant events of local importance in the field of culture;  
preservation of historical and cultural heritage of local importance, and access to them;  
preparation and participation of the members of the regional teams in various sports at the republican and international sporting events;  
sports competitions at the regional level;  
functioning of state regional sports organizations;  
regulation of tourist activities at the local level;  
ensuring the conservation of the archival collection of local importance;  
operation of the regional libraries;  
conducting the public information policy at the local level through the media;  
development of the state language and other languages of Kazakhstan at the local level;  
conducting the activities within the implementation of the state youth policy at the regional level;  
construction of infrastructure development objects in specially protected natural areas of republican significance related to their functioning (roads, bridges, power lines and other communications);

8) agro-industrial complex, water, forestry, fisheries, specially protected natural areas, protection of the environment and wildlife, land relations:  
regulation of relations in the field of agriculture at the regional level in accordance with the laws of the Republic of Kazakhstan;  
regulation of the development of plant growing, seed production, animal husbandry, veterinary medicine, processing and sale of agricultural products at the regional level in accordance with the laws of the Republic of Kazakhstan;  
maintenance, construction and repair of special storage facilities (burial grounds);  
neutralization of pesticides purchased from budget funds;  
ensuring the functioning of municipal water facilities;  
establishment of water protection zones, strips of water bodies;  
restoration of especially emergency water facilities and irrigation and drainage systems of regional significance;  
construction and reconstruction of water pipelines of regional significance;  
protection, protection, reforestation and afforestation;  
maintenance and protection of specially protected natural areas of local importance;  
carrying out activities for environmental protection in accordance with the Environmental Code of the Republic of Kazakhstan;  
carrying out state ecological expertise in accordance with the Environmental Code of the Republic of Kazakhstan;  
issuance of environmental permits for objects of category II;  
protection of the animal world;

regulation of land relations at the regional level;  
compensation for losses caused to owners of land plots or land users in cases established by the land legislation of the Republic of Kazakhstan;  
carrying out activities for the dissemination and implementation of innovative experience;  
construction, maintenance and reconstruction of cattle burial grounds (biothermal pits);  
organization of stamping out of sick animals;  
reimbursement to the owners of the cost of neutralized (disinfected) and processed without withdrawal of animals, products and raw materials of animal origin that pose a danger to animal and human health;

9) architectural, town-planning and construction activity:  
organization of architectural, town planning and construction activity, with the exception of costs, financed from the republican budget;

9-1) energy conservation and energy efficiency:  
implementation of measures for energy conservation and energy efficiency at the regional level;

10) transport and communications:  
passenger transportation on socially important inter-district (intercity, interregional), and rail commuter services;  
construction, reconstruction, repair and maintenance of motor roads of regional importance, as well as traffic engineering on them;

11) regulation of economic activity:  
state support for private enterprise;  
state stimulation of industry;  
state support of innovation activity;  
state support for social entrepreneurship;

12) other areas:  
transfers to district (cities of regional significance) budgets;  
transfers to the republican budget;  
servicing and paying off the debt of local executive bodies;  
fulfillment of state obligations on public-private partnership projects, including state concession obligations, local executive bodies, including state obligations on public-private partnership projects, including state concession obligations, local executive bodies of the district (city of regional significance), taken by the maslikhat relevant area;  
reimbursement of expenses under a state property trust agreement.

## 2. The costs of:

1) the capital expenditure of the state institutions, providing public services or carrying out the activities, specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;

2) budget investment projects, fulfillment of state obligations for public-private partnership projects, including state concession obligations, local executive bodies on directions, specified in paragraph 1 of this Article;

3) other public services and activities of the local state administration of the region, stipulated by Laws of the Republic of Kazakhstan, - are also financed from the regional budgets.

3. Financing the costs in the areas specified in this Article from the budgets of other levels are not permitted.

4. The costs of the local executive bodies financed from the regional budget, are planned on the basis of the limits of staffing numbers approved by the Government of the Republic of Kazakhstan, taking into account the natural norms and standards of public services.

When the staffing limits of local executive bodies financed from the regional budget are reduced, the amount of funds provided for ensuring the activities of local executive bodies financed from the regional budget, calculated in accordance with the approved staffing limits, is retained by local executive bodies financed from the regional budget, for the relevant and subsequent years.

Footnote. Article 54, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 02.04.2010 No. 263-IV ( shall be enforced from 01.01.2010), dated 28.12.2010 No. 369 -IV (shall be enforced from 01.01.2011), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542-IV ( shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days from the date of first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days from the date of first official publication); dated 07.03.2014 № 177-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 17.04.2014 № 195-V (shall be enforced upon expiry of six months after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); dated 31.10.2015 № 380-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 406-IV (shall be enforced from 01.01.2018); dated 05.05.2017 № 60-IV (shall be enforced upon expiry of ten calendar days after its first official publication); No. 90-VI dated 11.07.2017 (see Art. 2 for the enactment procedure); dated 30.11.2017 № 112-V (shall be enforced upon expiry of ten calendar days after its first official

publication); dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.06.2018 No. 163-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 237-VI dated 18.03.2019 ( shall be enforced upon expiry of twenty one calendar days after the day of its first official publication); No. 268-VI dated 28.10.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 27.12.2019 No. 291-VI (shall be enforced from 01.01.2021); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021) ; dated 24.06.2021 No. 52-VII (shall be enforced from 01.01.2022); dated 27.12.2021 No. 87-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2021 No. 95-VII (shall be enforced from 01.01.2023); dated 27.06.2022 No. 129-VII (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced from 01.01.2023);

**Article 55. Expenditures of the budgets of the city of republican significance and the capital**

1. Expenditures of the budgets of the city of republican significance and the capital, are carried out in the following areas:

1) state the functions of a general nature:

functioning of the local representative and executive bodies of the city of republican significance and the capital;

state planning at the level of the city of republican significance and the capital;

execution of the budget of the city of republican significance and the capital;

management of community property of the city of republican importance, capital;

assessment of property for tax purposes;

2) defense, public order and safety:

mobilization preparation and mobilization, preparation of territorial defense and territorial defense of the city of republican significance, the capital city, including provision of territorial bodies of territorial troops of the cities of republican significance, the capital city with office premises, vehicles, technical means of information, telecommunications and communications, furniture and barracks equipment, including their maintenance, service and repair, purchase of fuels and lubricants, stationery, as well as the costs of utilities, electricity, heating and communications services, creation of stocks of material and technical means according to the standards of regular requirement of wartime when carrying out special deployment of territorial troops, carrying out trainings with military servicemen of territorial defense divisions;

activities in the performance of military duties to ensure and maintain the military authorities of the city of republican significance and the capital, equipped by recruiting (teams ) items, medicines, tools, health and economic assets, road transport, communications, medical, and technical workers, by service personnel and the establishment of medical commissions;

prevention and liquidation of emergency situations of natural and man-made nature of local scale and their consequences;

protection of public order and provision of public safety in the territory of the city of republican importance, capital;

providing interventions for the prevention and suppression of wildfires of urban scale, as well as fires in settlements, where the bodies of the state fire service are not formed;

civil defense of the city of republican importance, capital;

operation of detention centers, special recipient centers for persons, who are subject to administrative detention, reception centers for persons with no fixed abode and documents, nurseries for service animals;

provision of the road safety in settlements;

escorting the bodies of internal affairs;

activities for citizenship, emigration and immigration, working with foreigners and fight against illegal migration;

ensuring the activities of the authorized body for road safety, except for financing the production of state license plates, driving license forms and forms of state registration of vehicles;

maintenance, service and repair of premises and vehicles, including the purchase of fuel and lubricants, as well as the payment for utility services, electricity, heating and telecommunications services of territorial bodies of internal affairs, with the exception of the costs of e-mail services, video conferencing communications and surveillance of the situation center of the devices of territorial bodies, financed from the republican budget;

3) education:

preschool education and training;

organization and provision of compulsory secondary education, including the evening (shift) form of training, including that provided through the boarding organizations;

technical and vocational, post-secondary education;

training within the general curriculum;

education of gifted children in special education organizations;

carrying out school competitions at the level of the city of republican significance and the capital;

training of specialists with technical and professional, post-secondary, higher and postgraduate education, except for those, financed from the republican budget;

advanced training and retraining of employees of public organizations, financed from the budget funds at the local level;

training of participants in the electoral process;

examination of mental health of children and adolescents, and provision of psychological, medical and educational counseling to the public;

rehabilitation and social adaptation of children and adolescents with special needs;

additional education for children;

acquisition and delivery of textbooks and teaching materials for public education organizations that implement general educational programs for primary, basic secondary and general secondary education, professional training programs of technical and vocational education, post-secondary education, as well as special and specialized secondary educational program;

logistical support of public education organizations (except for educational institutions in correctional institutions of the penal system) and organization of pre-school education and training;

state support for orphans and children left without parental care, their mandatory employment and housing;

medical care for students and pupils of educational organizations, except for preschool and secondary education organizations, not belonging to boarding schools;

free and reduced price meals for certain categories of students and pupils;

the operation of adaptation centers for minors;

4) health care:

additional provision of a guaranteed volume of free medical assistance by the decision of local representative bodies of the cities of republican significance and the capital city;

acquisition and storage of vaccines, immune and biological and other medical preparations in accordance with the legislation of the Republic of Kazakhstan;

medical assistance to persons held in pre-trial detention facilities of the penitentiary (penal ) system;

provision of medical care to persons held in the penitentiary (penal) system institutions;

other measures in the field of public healthcare, except for the directions, financed from the republican budget and the social health insurance fund;

5) social assistance and social security:

housing assistance;

social assistance to the needy citizens at home;

social adaptation of persons, who do not have a specific place of residence;

social security of orphans and children left without parental care;

social security for the elderly and persons with disabilities, including children with disabilities;

providing the employment of population;

state targeted social assistance;

social assistance to certain categories of needy citizens under the decisions of local representative bodies;

implementation of migration activities at the local level;

6) housing and utilities infrastructure:

organization the maintenance of the public housing stock in the city of republican significance and the capital;

- inventory of housing stock;
- provision of housing for certain categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;
- withdrawal of the land, including through the purchase for the public use and the resulting alienation of real property in accordance with the Laws of the Republic of Kazakhstan;
- creation and reconstruction of water supply facilities, including distribution networks of water supply, sewage treatment, drainage systems, sewage, including sewage pumping stations, thermal and electrical networks that are in municipal ownership;
- provision of the sanitation of settlements;
- maintenance of burial places and burial of rootless;
- street lighting in the settlements;
- landscaping and planting of settlements;
- gasification of settlements;
- activities aimed at maintaining the seismic resistance of residential buildings, located in earthquake-prone regions of the country, in accordance with the legislative acts of the Republic of Kazakhstan;
- housing construction of communal housing stock;
- demolition of dilapidated housing in accordance with the legislative acts of the Republic of Kazakhstan;

7) culture, sports, tourism and information space:

- support of theater and music of local importance;
- preservation of historical and cultural heritage of local importance, and access to them;
- support for cultural and leisure work;
- operation of zoos and arboretums;
- holding of socially significant events of local importance in the field of culture;
- sports competitions at the local level;
- preparation and participation of members of national teams of republican significance and the capital in various sports at republican and international sporting events;
- functioning of state urban sports organizations;
- regulation of tourist activities at the local level;
- ensuring conservation of the archival collection of local importance;
- operation of the city's libraries;
- conducting the public information policy at the local level through the media;
- development of the state language and other languages of Kazakhstan at the local level;
- implementation of measures in the framework of the state youth policy at the level of the city of republican significance and the capital;
- implementation of per capita regulatory financing of creative groups and sports sections;

8) agro industrial complex, water management, specially protected natural areas, environmental protection and land relations:

regulation of plant breeding, seed production, animal breeding, veterinary medicine, processing and marketing of agricultural products at the level of republican significance and the capital, in accordance with the Laws of the Republic of Kazakhstan;

organization of diseased animal slaughter, construction of animal burial sites (bio thermal pits) and their maintenance;

maintenance, construction and repair of special storage facilities (burial);

neutralization of pesticides purchased from budget funds;

construction and reconstruction of water supply system of the city of republican significance and the capital;

establishment of protection zones, belts and zones of sanitary protection of the sources of drinking water supply;

restoration of especially emergency water facilities and hydro-reclamation systems of the city of republican significance and the capital;

maintenance and protection of specially protected natural areas of local importance;

carrying out activities for environmental protection in accordance with the Environmental Code of the Republic of Kazakhstan;

carrying out state ecological expertise in accordance with the Environmental Code of the Republic of Kazakhstan;

issuance of environmental permits for objects of category II;

regulation of land relations in the city of republican significance and in the capital;

land and economic structure of settlements;

compensation for damages, caused to the land owners or land users, in the cases established by the land legislation of the Republic of Kazakhstan;

9) architectural, town planning and construction activity:

organization of architectural, town planning and construction activity, with the exception of expenditure, financed from the republican budget;

9-1) energy conservation and energy efficiency: implementation of measures for energy conservation and energy efficiency at the local level;

10) transport and communications:

passenger transportation on socially important urban and suburban traffic;

construction, reconstruction, repair and maintenance of city streets, including the current repair of highways, as well as technical means of regulating traffic on them;

11) regulation of economic activity:

state support for private enterprise;

state stimulation of industry;

state support of innovation activity;

state support for social entrepreneurship;

12) other areas:

transfers to the republican budget;

debt service of the local executive bodies;

fulfillment of state obligations for public-private partnership projects, including state concession obligations, local executive bodies;

reimbursement of expenses under the contract of trust management of state property.

2. The costs of:

1) capital expenditures of state institutions providing public services or carrying out the activities specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;

2) budget investment projects, fulfillment of state obligations for public-private partnership projects, including state concession obligations, local executive bodies on the directions, specified in paragraph 1 of this Article;

3) other public services and activities of the local government of the city of republican significance and the capital, provided by the Laws of the Republic of Kazakhstan, - are also financed from the budgets of the city of republican significance and the capital.

3. Financing of the costs in the areas specified in this Article from the budgets of other levels is not permitted.

4. The costs of local executive bodies, financed from the budgets of the city of republican significance and the capital are planned on the basis of limits of staffing numbers, approved by the Government of the Republic of Kazakhstan, taking into account the natural norms and standards of public services.

When reducing the staffing limits of local executive bodies financed from the budgets of the city of republican significance, the capital, the amount of funds provided for the activities of local executive bodies financed from the budgets of the city of republican significance, the capital, calculated in accordance with the approved staffing limits, are retained by local executive bodies financed from the budgets of the city of republican significance, the capital, for the corresponding and subsequent years.

5. The costs of the city's district in the following areas are provided as part of the budgets of the city of republican significance and the capital:

1) operation of the administration of district's Akim in the city;

2) implementation of households recording;

3) excluded by the Law of the Republic of Kazakhstan dated 27.12.2019 No. 291-VI ( shall be enforced from 01.01.2021);

4) organization of delivery of seriously ill people in emergency situations to the nearest health care organization, providing medical care;

5) provision of social assistance to the needy citizens at home;

6) providing sanitation of settlements;

7) maintenance of burial places and burial of rootless;

- 8) street lighting in the settlements;
- 9) landscaping and planting of the settlements;
- 10) implementation of other services in the field of social assistance and social security, including the placement of a state social order;
- 11) social assistance and social security;
- 12) housing assistance;
- 13) social adaptation of persons who do not have a specific place of residence;
- 14) social security for orphans and children left without parental care;
- 15) social security for the elderly and persons with disabilities, including children with disabilities;
- 16) ensuring employment of the population;
- 17) state targeted social assistance;
- 18) social assistance to certain categories of needy citizens by decisions of local representative bodies;
- 19) implementation of migration activities at the local level;
- 20) pre-school education and training, including ensuring the activities of pre-school education and training organizations;
- 21) design, construction, reconstruction, overhaul and modernization of distribution networks of water supply, sewerage, sewage pumping stations, gas supply and lighting, which are in municipal ownership;
- 22) current repair of highways;
- 23) inventory of the housing stock;
- 24) implementation of per capita regulatory financing of creative groups and sports sections.

Footnote. Article 55, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 19.03.2010 No. 258-IV; dated 02.04.2010 No. 263-IV (shall be enforced from 01.01. 2010), dated 28.12.2010 No. 369-IV (shall be enforced from 01.01.2011), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 22.07.2011 No. 479-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542 - IV (shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of its first publication), dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.03.2014

№ 177-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 17.04.2014 № 195-V (shall be enforced upon expiry of six months after its first official publication); dated 28.10.2015 № 369-V (shall be enforced from 01.01.2018); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 406-V (shall be enforced from 01.01.2018); dated 22.12.2016 № 29-VI (shall be enforced from 01.01.2017); dated 05.05.2017 № 60-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.06.2018 No. 163-VI (shall be enforced upon expiry of ten calendar days after its first official publication);dated 18.03.2019 No. 237-VI ( shall be enforced upon expiry of twenty-one calendar days after its first official publication); No. 268-VI dated 28.10.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication ); dated 27.12.2019 No. 291-VI (shall be enforced from 01.01.2021); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021); dated 24.06.2021 No. 52-VII (shall be enforced from 01.01.2022); dated 27.12.2021 No. 87-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2021 No. 95-VII (shall be enforced from 01.01.2023); dated 27.06.2022 No. 129-VII (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (effective ten calendar days after the date of its first official publication).

#### **Article 56. Expenditures of the district (the city of regional significance) budget**

Footnote. The title of Article 56 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. Expenditures of the district (the city of regional significance) budget shall be carried out in the following directions:

1) the state functions of a general nature:

functioning of the local representative and executive bodies of the district (city) level;

state planning at the district (city) level;

supporting the execution of the district (city) budget;

assessment of property for tax purposes;

management of community property of the district (city) level;

2) defense, public order and safety:

activities in the performance of military duties to ensure and maintain the regional military authorities, appointed by recruiting (teams) items, medicines, tools, health and economic assets, road transport, communications, medical and technical workers, and by service personnel and the establishment of medical commissions;

prevention and liquidation of emergency situations of natural and man-made nature of local scale and their consequences;

road safety in settlements;

providing the activities for the prevention and suppression of wildfires at the district (city) scale, and fires in settlements, where there is no the state fire service bodies;

3) education:

state provision of orphans, children left without parental care, their mandatory employment and housing;

4) social assistance and social security:

housing assistance;

material support for children with disabilities raised and educated at home;

providing disabled persons in accordance with the individual program of habilitation and rehabilitation of a disabled person with mandatory hygiene products, providing an individual assistant for disabled persons of the first disability group who have difficulty in moving, sign language specialists for persons with hearing disabilities;

social assistance to the needy citizens at home;

social adaptation of persons, who do not have a specific place of residence;

providing the employment of population;

the state targeted social assistance;

social assistance to certain categories of needy citizens under the decisions of local representative bodies;

5) housing and utilities infrastructure:

measures for the protection of the district (the city of regional importance) community property;

organization of the maintaining of public housing area of the district (the city of regional importance);

inventory of housing stock;

provision of housing for certain categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;

withdrawal, including through the purchase, of land for public use and the resulting alienation of real property in accordance with the Laws of the Republic of Kazakhstan;

demolition of emergency housing in accordance with the legislative acts of the Republic of Kazakhstan;

construction of housing of the communal housing stock;

activities, aimed at maintaining the seismic resistance of residential buildings, located in earthquake-prone regions of the country, in accordance with the legislative acts of the Republic of Kazakhstan;

creation and reconstruction of objects of water supply, sewage, drainage, sewerage, heating and electricity networks of communal property;

provision of sanitation of settlements;  
maintenance of burial places and burial of rootless;  
street lighting in the settlements;  
landscaping and planting of settlements;

6) culture and sport:  
support for cultural and leisure work at the local level;  
operation of the district (city) libraries;  
operation of zoos and arboretums;  
development of popular sports and national sports;  
sports competitions at the district (the city of regional importance) level;  
functioning of state district (the city of regional significance) sports organizations;  
preparation and participation of members of national teams of the district (the city of regional importance) in different sports at regional sports competitions;  
conducting the public information policy at the local level through the media;  
development of the state language and other languages of Kazakhstan at the local level;  
conducting activities within the state youth policy at the district (the city of regional importance) level;

7) land relations:  
regulation of land relations at the district (city of regional significance) level;  
construction and maintenance of animal burial sites (bio thermal pits) in cattle breeding;  
organization of slaughter of sick animals;  
compensation the value of seized and destroyed sick animals, products and raw materials of animal origin to owners;  
regulation of land relations at the district (the city of regional importance) level;

8) transport and communication:  
construction, reconstruction, repair and maintenance of roads of the district (city) importance, and the technical means of traffic control on them;  
passenger transportation on socially important urban (rural), suburban and inter-district communications, except for the railroad;

8-1) energy conservation and energy efficiency:  
implementation of measures for energy conservation and energy efficiency at the district (the city of regional importance) level;

9) the regulation of economic activity:  
the state support for private enterprise;  
state support for social entrepreneurship;

10) other areas:  
transfers to the regional budget;

**Note!**

**This edition of passage three of subparagraph 10) is valid from 01.01.2018 for the cities**

of district significance, villages, townships, rural districts with population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (the current version till 01.01.2020 for the cities of district significance, villages, townships, rural districts with population of two thousand or less people, see the archive version dated 11.07.2017 of the Budget code of the Republic of Kazakhstan dated 04.12.2008 № 95-IV).

transfers to the budgets of the city of district significance, a village, a township, a rural district;

debt service of the local executive bodies;

fulfillment of state obligations on public-private partnership projects, including state concession obligations, local executive bodies, adopted by the Maslikhat of the relevant area; reimbursement of expenses under the contract of trust management of state property.

2. The district (the city of regional significance) budget also finances the costs for:

1) capital expenditures of the state institutions, providing public services or carrying out the activities specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;

2) budget investment projects, concession projects for co-financing from the state budget and the implementation of concession obligations in the areas specified in paragraph 1 of this Article;

3) other public services and activities of the local government of the district (the city of regional importance), provided by the Laws of the Republic of Kazakhstan, - are also financed from the budget of the district (the city of regional importance).

3. Financing of expenditures on the directions, specified in this Article from other levels of budgets is not allowed, except for the fulfillment of state obligations for public-private partnership projects, including state concession obligations, local executive bodies, adopted by the Maslikhat of the relevant area.

4. Expenditures of local executive bodies, financed from the district (the city of regional significance) budget shall be planned on the basis of staffing limits, approved by the Government of the Republic of Kazakhstan, taking into account natural norms.

When reducing the staffing limits of local executive bodies financed from the district (city of regional significance) budget, the amount of funds provided for ensuring the activities of local executive bodies financed from the district (city of regional significance) budget, calculated in accordance with the approved staffing limits, remain for local executive bodies financed from the district (city of regional significance) budget for the corresponding and subsequent years.

This edition of paragraph 5 shall be enforced from 01.01.2018 for the cities of district significance, villages, townships, rural districts with the population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (current version before 01.01.2020 for the cities of district significance, villages,

townships, rural districts with the population of two thousand or less people, see the archival version dated 11.07.2017 of the Budget Code of the Republic of Kazakhstan dated 04.12.2008 № 95-IV).

5. As part of the budget of the city of regional significance, the district's expenditures in the city shall be provided in the following directions:

- 1) functioning of the apparatus of the district Akim in the city of regional significance;
- 2) implementation of economic accounting;
- 3) provision of activities for the recording of acts of civil status;
- 4) excluded by the Law of the Republic of Kazakhstan dated 27.12.2019 No. 291-VI (shall be enforced from 01.01.2021);
- 5) organization of delivery of seriously ill people to the nearest health care organization, providing medical assistance in emergency cases;
- 6) provision of social assistance to the needy citizens at home;
- 7) organization, together with public associations of persons with disabilities, of cultural and educational events;
- 8) creation of conditions for the development of physical culture and sports at the place of residence of individuals and in places of their mass recreation;
- 9) organization, together with the authorized body for physical culture and sports and public associations of persons with disabilities, of recreational and sports events among persons with disabilities;
- 10) organization of public work, youth practice and social workplaces;
- 11) provision of sanitation of settlements;
- 12) maintenance of burial places and funeral of the homeless;
- 13) street lighting in populated areas;
- 14) improvement and gardening of settlements;
- 15) other directions, stipulated by the laws of the Republic of Kazakhstan.

Footnote. Article 56, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 28.12.2010 No. 369-IV (shall be enforced from 01.01.2011), dated 22.07.2011 No. 479 -IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542-IV (shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 15.04.2013 № 89-V (shall be enforced upon expiry of thirty calendar days from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 17.01.2014 No.165-V (shall be enforced upon expiry of ten calendar days after its official

publication); dated 07.03.2014 № 177-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); 28.10.2015 № 369-IV (shall be enforced from 01.01.2018); 31.10.2015 № 380-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 22.12.2016 № 29-VI (shall be enforced from 01.01.2017); dated 11.07.2017 № 90-VI (see Art. 2 for the procedure of enforcement); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated October 28, 2019 No. 268-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 27.12.2019 No. 291-VI (shall be enforced from January 1, 2021); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 24.06.2021 No. 52-VII (shall be enforced from 01.01.2022); No. 67-VII dated 12.10.2021 (shall be enforced ten calendar days after the day of its first official publication); dated 27.06.2022 No. 129-VII (shall be enforced ten calendar days after the date of its first official publication);

**Article 56-1. Expenditures of the budgets of the city of district significance, a village, a township, a rural district**

1. Expenditures of the budgets of the city of district significance, a village, a township, a rural district shall be carried out in the following directions:

1) functioning of the apparatus of the Akim of the city of district significance, a village, a township, a rural district;

2) implementation of economic accounting;

3) provision of activities for the recording of acts of civil status;

4) excluded by the Law of the Republic of Kazakhstan dated 27.12. 2019 No. 291-VI ( shall be enforced from January 1, 2021);;

5) excluded by the Law of the Republic of Kazakhstan dated 27.12. 2019 No. 291-VI ( shall be enforced from 01.01.2021);

6) organization of delivery of seriously ill people to the nearest healthcare organization, providing medical assistance in emergency cases;

7) provision of social assistance to the needy citizens at home;

8) organization of preservation of the state housing stock of the city of district significance, a village, a township, a rural district;

9) provision of sanitation of settlements;

10) maintenance of burial places and funeral of the homeless;

11) street lighting in populated areas;

12) improvement and gardening of settlements;

13) supporting cultural and recreational work at the local level;

14) construction, reconstruction, repair and maintenance of highways in the cities of district significance, villages, townships, rural districts;

- 15) organization of water supply of settlements;
- 16) provision of population employment at the local level;
- 17) conducting physical-health and sports events at the local level;
- 18) implementation of measures for rural districts development within the framework of the State planning system documents, state programs;
- 19) transfers to the district (the city of regional significance) budget.

2. The budgets of the city of district significance, a village, a township, a rural district also finance the costs for:

- 1) capital city expenditures of state institutions, providing public services or carrying out the types of activities, specified in paragraph 1 of this Article, as well as the costs of retraining the personnel and improving the qualification of the employees of these state institutions;

- 2) budget investment projects;

- 3) other state services and directions of activity of Akims and local self-government bodies of the cities of district significance, villages, settlements, rural districts, stipulated by the laws of the Republic of Kazakhstan.

3. It is not allowed to finance expenditures on the directions, specified in this Article from other levels of budgets.

4. Expenditures of the Akim's apparatus, financed from the budgets of the city of district significance, a village, a township, a rural district shall be planned on the basis of staffing limits, approved by the Government of the Republic of Kazakhstan, taking into account natural norms.

When reducing the staffing limits of akims ' apparatuses financed from the budgets of a city of district significance, a village, a township, a rural district, the amount of funds provided for ensuring the activities of akims ' apparatuses financed from the budgets of a city of district significance, a village, a township, a rural district, calculated in accordance with approved staffing limits are retained by the administrations of akims , financed from the budgets of the city of district significance, village, township, rural district, for the corresponding and subsequent years.

**Footnote. Chapter 9 is supplemented with Article 56-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 27.12. 2019 No. 291-VI (shall be enforced from January 1, 2021); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);**

## **Chapter 10. BUDGET COMMISSIONS**

### **Article 57. The main provisions on the budget commissions**

1. The budget commission is created in order to ensure the timely and high-quality development of the draft budget and the development of proposals for clarification, adjustment and execution of the budget.

2. The Republican Budget Commission, budget commissions of a region, a city of republican significance, the capital, a district (a city of regional significance) and budget commissions of administrators of republican budget programs (hereinafter referred to as departmental budget commissions) carry out their activities on an ongoing basis.

3. The Government of the Republic of Kazakhstan shall form the Republican Budget Commission, approve the provision on it, determine its structure.

4. Akimats of regions, the city of republican importance, capital, district (the city of regional importance) form a budget commissions of regions, the city of republican importance, capital, district (the city of regional importance), approve the provisions of them and determine their composition.

5. Akimats of region, the city of republican significance, capital, district (the city of regional significance) shall attract to the work of the budget commissions of the region, the city of republican significance, capital, district (the city of regional significance) the representatives of the National Chamber of Entrepreneurs of Kazakhstan on issues, affecting the interests of private entrepreneurs, according to legislation of the Republic of Kazakhstan.

6. The first heads of the administrators of the republican budget programs form departmental budget commissions, approve the regulations on them, and determine their composition.

**Footnote. Article 57, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 130-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2017 № 86-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).**

#### **Article 58. Competence of budget commissions**

1. The competence of the republican budget commission, budget commissions of the region, the city of republican significance, the capital, district (city of regional significance) includes:

- 1) development of proposals for the forecast of socio-economic development;
- 2) development of proposals on the priority goals of state bodies' development plans or development plans for the region, city of republican status, the capital and expenditure areas of budget programs administrators;
- 3) development of proposals on draft development plans of state bodies or draft amendments and additions to the development plan of a state body and spending limits for budget programs administrators;
- 4) development of proposals for determining indicators of draft budgets;

5) development of proposals for draft regulatory legal acts that provide for a reduction in revenues or an increase in expenditures of the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan;

6) development of proposals for clarifying budgets;

7) consideration of the results of budget monitoring, the evaluation of the results and the development of proposals for them;

8) development of proposals for adjusting budgets;

8-1) development of recommendations and consideration of issues related to the allocation of funds from the education infrastructure support Fund and the Special state fund;

9) other powers provided for by this Code, as well as provisions on budgetary commissions.

2. The competence of departmental budget commissions includes:

1) development of proposals on a draft development plan of a state body or a draft amendments and additions to the development plan of a state body, draft budget programs;

2) development of proposals for the budget application of the administrator of the republican budget programs and calculations for it;

3) consideration of the results of budget monitoring, the evaluation of the results and the development of proposals for them;

4) other powers provided for by this Code, as well as regulations on departmental budget commissions.

**Footnote. Article 58 - as amended by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

### **Article 59. The composition and the working bodies of the budget commissions**

1. The structure of the budget commissions includes: the chairman, deputy chairmen, secretary, members of the budget commission, and also the Akims of the cities of district significance, villages, townships, rural districts are included in the budget commissions of the district (the city of regional significance).

2. The working bodies of budget commissions are the central authorized body for budget planning and the local authorized body for state planning.

3. Chairman of the Budget Commission shall administer its activities, provide the meetings of the budget commission, plan its work and shall have general supervision over the implementation of its proposals and shall be responsible for the activities, carried out by the Commission. During the absence of the chairman, the deputy chairman of the budget commission assigned by him (her) performs his (her) functions.

4. Secretary of the Budget Commission coordinates the provision of activity of the budget commission, prepares the minutes of meetings of the budget commission.

5. The working body prepares materials for the meetings of the budget commission in accordance with the terms and with the agenda, determined by the Budget Commission.

6. The procedure for organizing the activities of the budget commission shall be developed and determined by the working body of the appropriate budget commission.

**Footnote. Article 59, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication)**

## **SPECIAL PART**

### **SECTION 3. THE DEVELOPMENT, REVIEW, APPROVAL OF THE BUDGET**

#### **Chapter 11. THE BASIS OF BUDGET PLANNING**

##### **Article 60. General provisions on the basis of the budget planning**

1. The system of state planning shall be determined by the Government of the Republic of Kazakhstan in agreement with the President of the Republic of Kazakhstan.

2. The following documents:

1) the forecast of socio-economic development of the Republic or the region;

2) the Law on the republican budget, the decision of maslikhat on the local budget;

2-1) forward-looking consolidated financial statements for the republican budget;

2-2) forecast consolidated financial reporting on the oblast budget, the budget of the city of republican status, the capital;

2-3) national projects;

3) development plans of state bodies;

3-1) budget programs;

4) the operational plans, - are used in budget process.

3. The central authorized body for state planning shall carry out methodological guidance on state planning, develop proposals for improving the system of state planning and the development of the budget system, as well as forming of budget policy.

The central authorized body on budget planning shall carry out management and intersectoral coordination in the field of budget planning, methodological guidance on budget planning, and also develops proposals for improving the budget planning system.

**Footnote. Article 60, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (**

shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2017 № 86-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 112-VI dated 30.11.2017 (see Art. 2 for the procedure of enforcement); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication);

## **Article 61. Forecast of the social and economic development**

1. Prediction of socio-economic development shall be a document, determining the parameters of economic development of the Republic of Kazakhstan, the region, the city of republican significance, the capital city and economic policy of the state for a five-year period, taking into account strategic goals in conjunction with budget parameters for the planning period.

1-1. The socio-economic development forecast shall be developed annually on a rolling basis for a five-year term, factoring in the documents of the State Planning System and the annual state-of-the-nation Address of the President of the Republic of Kazakhstan on the situation in the country and the main directions of the domestic and foreign policy of the Republic and shall contain:

- 1) at the republican level of public administration:
  - external and internal conditions of economic development;
  - goals and priorities of economic policy for a five-year term, including fiscal policy;
  - the main directions of economic policy for a five-year term, including fiscal policy;
  - prediction of socio-economic development indicators for a five-year period;
  - assessment of the sustainability of public finances;
  - prediction of internal and external government debt for the planning period;
  - prediction of budget parameters for the planning period, including prediction of revenues and expenditures of consolidated, state and republican budgets, deficit (profit) and the non-oil deficit (profit) of the corresponding budget;
  - prediction of revenues and expenditures of the National Fund of the Republic of Kazakhstan for the planning period;
  - new spending initiatives to meet national priorities;
- 2) at the level of the region, the city of republican significance, the capital city:
  - trends and priorities of socio-economic development of the region, city of republican status, the capital;
  - prediction of indicators of socio-economic development of the region, the city of republican significance, the capital city;

budget parameters of the region, the city of republican significance, the capital city for the planning period, which should contain:

prediction of budget parameters of the region, the city of republican significance, the capital city, including the prediction of revenues and expenditures of the budget of the region, the city of republican significance, the capital city;

new expenditure initiatives aimed at realizing the priorities of socio-economic development of the region, the city of republican significance, the capital city;

a list of priority budget investments of the region, the city of republican significance, the capital city.

Target indicators and showings shall be established on key directions (areas) to determine the quantitative and qualitative results, on the achievement of which, the socio-economic policy of the state during a five-year period should be directed.

The forecast of the socio-economic development of the region, the city of republican status, the capital shall take into account the parameters of the socio-economic development forecast for the Republic of Kazakhstan.

2. Additional authorized indicators of socio-economic development and budget parameters may be included by the central authorized body for state planning, the local authorized body for state planning of the region, the city of the republican significance, the capital city.

2-1. The prediction of indicators of socio-economic development can be specified taking into account changes in internal and external conditions of economic development.

3. Forecast of budget parameters for the second and third years of the planning period is indicative and may be refined in the design of the forecast of budget parameters for the next planning period, taking into account changes of forecast in the social and economic development, budget monitoring and evaluation of the results, other internal and external factors.

4. The prediction of socio-economic development shall be developed by the central authorized body for state planning and the local authorized state body for the planning of the region, the city of the republican significance, the capital city and approved by the Government of the Republic of Kazakhstan or the local executive body of the region, the city of the republican significance, the capital city, and shall be subject to publication in the mass media.

5. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V ( shall be enforced upon expiry of ten calendar days after its first official publication).

6. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V ( shall be enforced upon expiry of ten calendar days after its first official publication).

7. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V ( shall be enforced upon expiry of ten calendar days after its first official publication).

7-1. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V ( shall be enforced upon expiry of ten calendar days after its first official publication).

8. The procedure and terms for the development of the prediction of socio-economic development shall be determined by the central authorized body for state planning.

Footnote. Article 61 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 61-1. Forward-looking consolidated financial statements**

1. The forward-looking consolidated financial statements shall include:

- 1) the forward-looking consolidated statement of financial position;
- 2) forward-looking consolidated report on the results of financial activities;
- 3) forward-looking consolidated statement of cash flows;
- 4) forward-looking consolidated statement of changes in net assets / equity;
- 5) an explanatory note.

2. For the formation of forecast consolidated financial reporting on the republican budget, forecast consolidated financial statements shall be submitted by budget programs administrators before May 15 of the current year to the central authorized budget planning body.

For the formation of forecast consolidated financial reporting on the oblast budget, the budget of the city of republican status, the capital city, the forecast consolidated financial statements shall be filed by budget programs administrators before May 15 of the current year to the local authorized state planning body.

The administrator of budget programs shall ensure the completeness and reliability of the information and calculations contained in the forward-looking consolidated financial statements.

3. Forward-looking consolidated financial statements for the republican budget or the regional budget, the budget of the city of republican significance, the capital shall be drawn

up in the manner determined by the central authorized body for budget planning in agreement with the central authorized body for state planning.

The procedure for drawing up the forward-looking consolidated financial statements of the administrator of budget programs shall be determined by the central authorized body for budget planning.

4. When forming the forward-looking consolidated financial statements for the republican budget or the regional budget, the budget of the city of republican significance, the capital, the central authorized body for budget planning or the local authorized body for state planning shall ensure the compliance of the assessment and forward-looking of budget parameters for a three-year period.

The budget parameters for a three-year period shall include a forecast of income and expenses, the financial result of the corresponding budget, taking into account the following indicators:

- operating result;
- operating result (non-oil);
- net lending (borrowing);
- total budget balance;
- general budget balance (non-oil);
- surplus (deficit) of money;
- general surplus (deficit) of money;
- general surplus (deficit) of money (non-oil);
- debt;
- net debt.

5. Forward-looking consolidated financial statements for the republican budget shall be submitted as part of the draft law on the republican budget.

The forecast consolidated financial reports on the oblast budget, the budget of the city of republican status, the capital shall be presented as part of the draft decision of the maslikhat on the oblast budget, on the budget of the city of republican status, the capital.

**Footnote.** Chapter 11 is supplemented by Article 61-1 in accordance with Law of the Republic of Kazakhstan No. 112-VI dated 30.11.2017 (enforcement, see art2); as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 62. Development plan of a state body**

**Footnote.** Heading - as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

1. The development plan of the state body shall be developed every three years for a five-year term on the basis of higher-level documents of the State Planning System, the socio-economic development forecast for the Republic of Kazakhstan.

2. The development plan of the state body shall determine strategic directions, goals, target indicators of the state body's activities.

3. The development plan of the state body shall be approved by the head of the state body in agreement with the central authorized state planning and budget planning bodies.

In the presence of goals in the development plan of the state body related to education, science and (or) healthcare, the development plan of the state body shall be coordinated with the authorized education, science and (or) healthcare bodies.

The President of the Republic of Kazakhstan has the right to approve plans for the development of state bodies directly subordinate and accountable to the President of the Republic of Kazakhstan, with the exception of the strategic plan of the National Bank of the Republic of Kazakhstan, whose development procedure is determined in accordance with the Law of the Republic of Kazakhstan On the National Bank of the Republic of Kazakhstan.

Supreme Court of the Republic of Kazakhstan, Constitutional Court of the Republic of Kazakhstan, Administration of the President of the Republic of Kazakhstan, Office of the Security Council of the Republic of Kazakhstan, Office of the President of the Republic of Kazakhstan, State Security Service of the Republic of Kazakhstan, Office of the Government of the Republic of Kazakhstan, Department of Logistics, National Center for Human Rights of the Republic of Kazakhstan, the Supreme Audit Chamber of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the Supreme Judicial Council of the Republic of Kazakhstan, the National Security Committee of the Republic of Kazakhstan, the Prosecutor General's Office of the Republic of Kazakhstan, the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan, audit commissions of regions, cities of republican status, the capital, Maslikhat administrations and executive bodies financed from the local budget shall not draw up the state bodies' development plans.

4. Development plans of state bodies or amendments and additions to the development plans of state bodies after the republican budget approval shall be finalized, approved within a month from the date of signing by the President of the Republic of Kazakhstan of the law on the republican budget and shall be published in the media within ten calendar days with protection of state secrets in accordance with the legislation of the Republic of Kazakhstan.

5. Amendments and additions to the development plan of a state body shall be allowed in the following cases:

1) adoption of new or introduction of amendments and (or) additions to the laws of the Republic of Kazakhstan;

2) adoption of new or introduction of amendments and (or) additions to the documents of the State Planning System;

3) changes in the functions, structure of the state body;

4) changes in the republican budget parameters that impact the achievement of target indicators.

When updating the republican budget later than the third quarter of the current financial year, which provides for a reduction in the expenses of the budget programs administrator due to the expected non-disbursement of budget funds, the values of the target indicators of the development plan of the state body are not subject to change.

When making amendments and additions to the development plans of state bodies, the requirements established by this Code when developing and approving development plans of state bodies shall be observed.

In case of making amendments and additions to the development plans of state bodies related to the budget revision, the requirements established by this Code when developing and approving the budget, development plans of state bodies shall be observed.

Draft amendments and additions to the development plans of state bodies related to changes in the funding amount shall be considered by the relevant budget commission.

6. Excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication).

Footnote. Article 62 is in the wording of Law of the Republic of Kazakhstan 12.11.2015 № 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 27.02.2017 № 49-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2017 № 86-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2018 № 179-VI (shall be enforced from the date of its first official publication); No. 290-VI dated 27.12.2019 (shall be enforced since 01.01.2020); No. 291-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (enforcement, see art 3); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

### **Article 63. The operational plan**

To implement the development plan of the state body, the state body shall draw up an operational plan.

The operational plan is a document containing specific activities of the state body in the current financial year, executives in charge and the timing of the implementation of these

activities to achieve the approved goals, objectives and performance indicators of the state body in accordance with the development plan of the state body in conjunction with the performance indicators of the budget programs.

The operational plan shall be developed annually and approved by the chief executive or the chief of staff within ten calendar days from the date of signing the development plan of the state body.

**Footnote. Article 63 - as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Chapter 12. BUDGETING**

### **Article 64. General provisions on the budget development**

1. The republican budget shall be developed annually for the planning period by the central authorized body on budget planning taking into account the prediction of socio-economic development.

1-1. The regional budget, the budgets of the city of republican significance, the capital, the district (city of regional significance) budget are annually developed for the planning period by local authorized bodies for state planning, taking into account the forecast of the socio-economic development of the region, the city of republican significance, the capital in compliance with the standard for allocating funds for activities to environmental protection.

The standard for allocating funds for environmental protection measures is adopted in the amount of at least one hundred percent of the payment for the negative impact on the environment received by the local budget during the three years preceding the year of development and approval of the environmental protection action plan provided for by the Environmental Code of the Republic Kazakhstan.

In case of a predicted decrease in revenues to the local budget of payments for negative impact on the environment, the standard for directing funds is adjusted based on the predicted decrease.

Budgets of the city of district significance, a village, a township, a rural district shall be developed annually for the planning period by the apparatus of Akims of the city of district significance, a village, a township, a rural district, taking into account the prediction of socio-economic development of the region.

2. Administrators of budget programs and local executive bodies shall be prohibited from submitting the proposals to the Government of the Republic of Kazakhstan, the central authorized body for budget planning and local authorized bodies for state planning on increasing budget expenditures outside the planning process or budget adjustment.

3. The procedure for drafting the republican budget shall be determined by the Government of the Republic of Kazakhstan.

The procedure for drafting local budgets shall be determined by the central authorized body for budget planning in agreement with the central authorized body for state planning.

Footnote. Article 64, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2017 № 86-VI (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.01.2021 No. 401-VI (shall be enforced from 01.07.2021).

### **Article 65. Forecasting the budget revenues**

1. Forecasting the revenues to the state and republican budgets, the National Fund of the Republic of Kazakhstan on categories, classes and subclasses of a single budget classification is made by the central competent body for budget planning, taking into account the forecast for social and economic development.

1-1. Forecasting of receipts to the local budget shall be carried out by the local authorized state planning body, taking into account the forecast of the socio-economic development of the region, the city of republican status, the capital in the manner determined by the local executive body of the region, the city of republican status, the capital.

2. Reflection of revenues of the budget in the form of cost of goods (works, services) is allowed only upon receipt of tied grants in the form of free technical assistance, as well as in the cases provided by the international treaties, ratified by the Republic of Kazakhstan. In this case, the budget program in an amount equal to the value of the goods (works, services) shall be provided in the costs.

2-1. Predicting of non-tax revenues to the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan in the form of administrative fines, penalties, sanctions, levies, imposed by state institutions, financed from the republican or local budgets, as well as containing and financing from the budget (cost estimates) of the National Bank of the Republic of Kazakhstan, and (or) fines, penalties, sanctions, levies on budget credits (loans), issued from the budget, shall not be carried out.

3. Forecasting of budget receipts shall be made on the basis of the methodology for budget receipts forecasting, developed and approved by the central authorized state planning body.

Footnote. Article 65, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its official publication), dated

13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 65-1. Spending limits for administrators of budget programs**

1. The spending limits of the administrators of the republican budget programs are determined by the central authorized body for budget planning.

Spending limits for administrators of budget programs financed from the local budget are determined by local authorized bodies for state planning, with the exception of spending limits for administrators of budget programs financed from the budgets of cities of district significance, villages, towns, rural districts, which are determined by local authorized bodies for state planning of districts (cities of regional significance).

2. The spending limits of the republican budget programs administrators drawing up development plans of the state bodies shall be determined on the basis of national projects, draft development plans of state bodies or draft amendments and additions to the development plans of state bodies, taking into account the proposals of the Republican Budget Commission to the conclusions of the central authorized state planning body, assessment of the implementation of development plans of state bodies and budget programs, assessment of the socio-economic effect of budget expenditures over the previous year.

Spending limits for republican budget programs administrators who do not draw up development plans of state bodies shall be determined on the basis of national projects, powers defined in the regulation on the state body, assessment of the budget programs performance, assessment of the socio-economic effect of budget expenditures over the previous year.

The spending limits of budget programs administrators financed from the local budget shall be determined on the basis of the development plan of the region, the city of republican status, the capital and the powers defined in the regulation on the state body.

As part of the limit of expenses of administrators of the republican budget programs, the central authorized body for budget planning determines the limit of current administrative expenses of state bodies.

Spending limits are determined for each administrator of budget programs.

The spending limits of administrators of budget programs are determined taking into account the proposal of the relevant budget commission.

The limits, determined taking into account the proposal of the relevant budget commission, are communicated to the administrators of budget programs by May 1 of the current financial year.

3. The procedure for determining the spending limits of administrators of budget programs is determined by the central authorized body for budget planning.

Footnote. The Code is supplemented by Article 65-1 in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication ); as amended by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

**Article 66. The documents, submitted by the administrators of budget programs for planning budget expenditures**

1. To plan budget expenditures, administrators of republican budget programs that draw up development plans of state bodies shall submit:

before March 15 of the current financial year, to the central authorized state planning body, draft development plans of state bodies or draft amendments and additions to the development plans of state bodies, draft budget programs approved by the departmental budget commission;

calculation of the financial need to achieve the goals and target indicators of draft development plans of state bodies;

before May 15 of the current financial year, to the central authorized budget planning body, draft development plans of state bodies or draft amendments and additions to the development plans of state bodies that have positive proposals from the Republican Budget Commission, budget applications in full and draft budget programs.

2. Administrators of republican budget programs that do not draw up development plans of state bodies, before May 15 of the current financial year, shall submit budget applications in full and draft budget programs to the central authorized budget planning body.

2-1. Administrators of local budget programs, before May 15 of the current financial year, submit to the local authorized body for state planning, with the exception of administrators of budget programs financed from the budgets of cities of district significance, villages, towns, rural districts, who submit to local authorized bodies for state planning districts (cities of regional significance), budget applications in full and draft budget programs.

3. In case of evaluating the results, the evaluation results shall be attached to the documents, specified in this Article.

Footnote. Article 66 is in the wording of the Law of the Republic of Kazakhstan № 239-V dated 29.09.2014 (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

**Article 67. The Budget request**

1. The budget request is a collection of documents, compiled by the administrator of budget programs for the next planning period to justify the expenditure.

1-1. The budget application is drawn up on the basis of and within the spending limits of administrators of budget programs .

2. The budget expenditures are divided into basic expenses, and expenditures for new initiatives.

3. Basic expenses are fixed expenses, capital expenses, and also expenses for initiated (continued) budget investments and fulfillment of accepted state obligations under public-private partnership projects, including state concession obligations.

4. The expenditures of a continuing nature are the costs, associated with the implementation of state functions, powers, and the provision of public services, transfer payments and other obligations of the state.

5. The expenditures for new initiatives include the expenditures intended to:

implementation of new national priorities areas in accordance with the State Planning System documents, subsequently financed under new budget programs;

the increase in the base expenditures that is not associated with changes in the macroeconomic and social indicators and providing the additional areas of budget spending (expansion of the performed state functions and public services) within the existing budget programs.

Planning expenses for new initiatives of the administrator of budget programs to increase basic expenses is carried out by redistributing the funds of the basic expenses of this administrator of budget programs, approved in the law on the republican budget or the decision of the maslikhat on the local budget in the previous planning period.

6. Budget request shall include:

1) calculations by types of expenses for each budget program of the administrator of budget programs, with the exception of current administrative expenses of state bodies, for which limits are determined in accordance with part four of paragraph 2 of Article 65-1 of this Code, and basic expenses according to the list determined by the central authorized body on budget planning, with a description of the impact of the declared funding on the achievement of indicators of the results of budget programs;

1-1) an assessment of the economic effect of the declared expenses for budget investment projects, the formation and (or) increase in the authorized capital of legal entities, budget subsidies.

The economic effect from the declared expenses for budget investment projects, the formation and (or) increase in the authorized capital of legal entities is determined in accordance with the legislation of the Republic of Kazakhstan.

The economic effect of budget subsidies is determined in the manner determined by the central authorized bodies of the relevant industry (sphere) in agreement with the central authorized body for budget planning.

2) the information on the received and used tied grants as at January 1 of the current fiscal year with a breakdown of the amount of the tied grants in spending areas;

3) the information on the received and used untied grants as at January 1 of the current fiscal year;

4) prediction of revenues and expenditures of money from the sale of goods (works, services) by state institutions, remaining at their regulation in the form, established by the central authorized body on budget planning;

4-1) a report on the results of monitoring of budget investment projects, including the targeted transfers to development, according to the results of the first quarter of the current financial year;

5) an explanatory note;

6) other necessary information, requested by the central authorized body on budget planning and local authorized bodies on state planning.

7. If the budget programs administrator proposes in the draft development plan of a state body or the draft amendments and additions to the development plan of a state body to develop or introduce amendments and additions to regulatory legal acts that require additional costs or a reduction in budget revenues, then together with the budget application, draft of the relevant regulatory legal act shall be introduced.

8. If for some budget programs the amount of expenses of the second and third years of the previous plan period is not changed compared to the amount approved under these programs in the Law on the republican budget or in the decision of maslikhat on the local budget, the calculations by expenditure types are not compiled under these programs.

The calculations by expenditure types under these programs are drawn up only in the third year.

9. The explanatory note to the budget application shall contain:

1) a brief description of achieved performance indicators for the reporting financial year;

2) a brief description of the current situation, the existing problems;

3) description of ways to improve the situation and address problems, achieve goals and planned target indicators defined in the draft development plan of the state body;

4) description of ways to improve the situation and address problems, achieve goals and planned target indicators defined in the development plan of the region, the city of republican status, the capital;

5) a description of the objectives of budget programs and the planned final results of budget programs;

6) information, specifying the directions of spending budget funds in the context of budget programs and budget subprograms, a description of the direct results of budget programs.

10. If the budget application does not comply with the requirements of the budget legislation of the Republic of Kazakhstan for its compilation and submission, the central

authorized body for budget planning or the local authorized body on state planning shall be obliged to return it to the administrator of the budget program without consideration.

11. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its official publication).

12. The administrator of budget programs shall ensure the completeness and accuracy of information and calculations, contained in the budget request.

12-1. Calculations and justification for a budget application under a budget program aimed at targeted transfer to an organization specializing in improving the quality of loan portfolios of second-tier banks shall be submitted by the authorized body for regulation, control and supervision of the financial market and financial organizations to the Government of the Republic of Kazakhstan and the administrator of republican budget programs.

The heads of autonomous organization of education and its organizations shall bear the responsibility for the validity of the budget application and reliability of calculations to the budget application, completeness and timeliness of submitting the budget application for budget programs, aimed at investing the trust deposit in accordance with the laws of the Republic of Kazakhstan.

The responsibility for the validity of the budget application and the reliability of calculations for the budget application, the completeness and timeliness of the submission of the budget application under budget programs aimed at targeted transfer are borne by the heads of the autonomous cluster fund, a legal entity with 100% state participation in the authorized capital, the main subject of which are organization and holding an international specialized exhibition on the territory of the Republic of Kazakhstan, as well as post-exhibition use the territory of an international specialized exhibition, an organization that provides conditions for the activities of bodies and their organizations, participants of an international financial center, in accordance with the laws of the Republic of Kazakhstan.

12-2. Calculations and justification for the budget application of the budget program, aimed at targeted transfer to an organization, specializing in improving the quality of loan portfolios of second-tier banks shall be submitted by the National Bank of the Republic of Kazakhstan to the Government of the Republic of Kazakhstan and to the administrator of the republican budget programs.

13. The procedure for drawing up and submitting a budget application shall be determined by the central authorized body on budget planning.

Footnote. Article 67, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 02.07.2014 № 225-V (shall be enforced

upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 № 257 (shall be enforced from 01.01.2015); dated 21.07.2015 № 337-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 17.11.2015 № 407-V (shall be enforced from 01.01.2016); dated 27.02.2017 № 49-VI (shall be enforced from 01.01.2017); dated 13.03.2017 № 53-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication)); dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); No. 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 67-1. Civil budget**

The civil budget shall be information, disclosing the main provisions of the republican and local budgets, published in the mass media in a form accessible to the public.

The procedure for drawing up and presenting the civil budget at the stages of budget planning and budget execution shall be determined by the central authorized body on budget planning.

Footnote. Chapter 12 is supplemented by Article 67-1 in accordance with the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 68. Consideration of draft development plans of state bodies or draft amendments and additions to the development plans of state bodies, draft budget programs and budget requests**

Footnote. Article 67, as amended by the Laws of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

1. The central authorized state planning body, taking into account the results of assessing the efficacy of achieving the goals of development plans of state bodies and budget programs indicators, shall consider:

1) draft development plans of state bodies or draft amendments and additions to the development plans of state bodies for their compliance with the higher-level documents of the State Planning System, ensuring the achievement of goals and target indicators of the higher-level State Planning System documents, the degree of achievability of target indicators, the impact on socio-economic development of the country;

2) draft budget programs of republican budget programs administrators that draw up development plans of state bodies, for the correctness of the choice of performance indicators,

presence of interconnection between the performance indicators of budget programs with the target indicators of the development plan of the state body, the degree of achievability of the performance indicators.

The central authorized state planning body, based on the results of consideration of draft development plans of state bodies or draft amendments and additions to the development plans of state bodies, draft budget programs, shall form conclusions and direct them no later than April 15 of the current financial year to the central authorized budget planning body for examination by the Republican budget commission and budget programs administrators.

The form of the conclusion on draft development plans of state bodies or draft amendments and additions to the development plans of state bodies shall be determined by the central authorized state planning body.

Draft development plans of state bodies or draft amendments and additions to the development plans of state bodies shall be finalized by the republican budget programs administrators, taking into account the proposals of the Republican Budget Commission and shall be submitted to the central authorized budget planning body in accordance with paragraph 1 of Article 66 of this Code.

2. The central authorized budget planning body, taking into account the analysis results of the budget execution over the reporting financial year, as well as the results of assessing the efficacy of achieving the goals of development plans of state bodies and budget programs indicators, shall consider:

1) budget applications of administrators of budget programs for their compliance with the budgetary and other legislation of the Republic of Kazakhstan, the forecast of socio-economic development, current natural norms and projects of budget programs, while considering budget applications, a database of prices for goods, works, services is also used, established by the legislation of the Republic of Kazakhstan on public procurement, as a guideline when calculating by type of expenditure for each budget program;

2) indicators of draft budget programs of budget programs administrators, drawing up development plans of state bodies, for their interconnection with the goals and target indicators of the development plan of the state body;

3) indicators of draft budget programs of budget programs administrators that do not draw up development plans of state bodies, for their compliance with the functions, powers, activity areas of the budget programs administrator.

The central authorized body for budget planning, based on the results of consideration of the materials specified in this paragraph, forms conclusions on budget applications and draft budget programs.

The conclusions of the central authorized budget planning body on draft budget programs shall be formed with account of the conclusions of the central authorized state planning body and proposals of the Republican Budget Commission on draft development plans of state bodies or draft amendments and additions to the development plans of state bodies.

The central authorized body for budget planning submits conclusions on budget applications, draft budget programs to the Republican Budget Commission for consideration.

2-1. The budget application of the Supreme Audit Chamber of the Republic of Kazakhstan shall be directed for examination to the central authorized budget planning body, which shall prepare a conclusion on it and include it in the draft republican budget without making any changes.

3. The local authorized state planning body, with account of the analysis results of budget execution over the reporting financial year and the assessment of the efficacy of achieving the goals of the development plan of the region, the city of republican status, the capital and budget programs indicators, shall examine:

1) budget programs administrators' budget applications for their compliance with the budgetary and other legislation of the Republic of Kazakhstan, the socio-economic development forecast for the region, city of republican status, the capital, target indicators of development plans for the region, city of republican status, the capital, draft budget programs and current natural norms, and while considering budget applications, the database of prices for goods, works, services established by the legislation of the Republic of Kazakhstan on public procurement shall also be used as a guideline in the calculation by type of expenditure for each budget program;

2) budget programs administrators' draft budget programs for the correct choice of performance indicators, interconnection of performance indicators with goals, target indicators of development plans for the region, the city of republican status, the capital, the degree of performance indicators achievability, as well as their compliance with the functions, powers, activity areas of the budget programs administrator.

Local authorized bodies on state planning, based on the results of consideration of budget applications, budget programs drafts of administrators of local budget programs shall form conclusions on budget applications and budget programs drafts and send them to the relevant budget commission.

4. Disagreements between administrators of budget programs and the central authorized body on budget planning and (or) the local authorized body on state planning shall be considered by the appropriate budget commission, except for disagreements between administrators of budget programs, financed from the budgets of cities of district significance, villages, townships, rural districts, and local authorized bodies on state planning of districts (cities of regional significance), which are considered by budget commissions of the districts (the cities of regional significance). The corresponding budget commission shall consider the materials, specified in paragraphs 1, 2 and 3 of this Article, and develop proposals on them.

4-1. Expenditures for implementation of budget investments through state participation in the authorized capital of legal entities are included in the draft of budget in accordance with the terms of implementation of budget investments, as determined in financial and economic feasibility study.

4-2. Expenses for the implementation of national projects shall be included in the draft budget, taking into account the priority of the activities of national projects and in compliance with the principles of the budget system.

5. Administrators of the republican budget programs in accordance with the proposals of the Republican budget commission shall represent:

finalized draft budget programs and budget requests to the central authorized body for budget planning;

to the central authorized state planning body - finalized draft development plans of state bodies or draft amendments and additions to the development plans of state bodies, draft budget programs of republican budget programs administrators, drawing up development plans of state bodies.

6. Administrators of budget programs that do not draw up development plans of state bodies, in accordance with the proposals of the relevant budget commission, shall submit to the central authorized budget planning body or local authorized state planning bodies, respectively, with the exception of budget programs administrators financed from the budgets of cities of district status, villages, settlements, rural districts, which submit to the local authorized state planning bodies of districts (cities of regional scale), finalized draft budget programs and budget applications.

**Footnote.** Article 68 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 12.11.2015 № 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 №. 90-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 69. The Natural norms**

1. The natural norms are the natural indicators of consumption or use of the necessary material and intangible benefits.

2. Natural norms shall be developed and approved by the central state bodies in coordination with the central authorized body on budget planning.

3. Central state bodies shall submit proposals for approval, amendment and (or) addition of natural norms to the Republican Budget Commission for examination.

Administrators of budget programs shall make changes and (or) additions to the existing natural norms no more than once during the current financial year.

Footnote. Article 69 as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

**Article 70. The money from the sale of goods (works, services) by the state institutions**

1. Money from the sale of goods (works, services) by state institutions, which by the laws of the Republic of Kazakhstan are authorized to carry out income-generating activities, shall be credited to the relevant budget, with the exception of money from the sale of goods (works, services) produced by state institutions in the fields of education, physical culture and sports, variety testing, agrochemical services for agricultural production, monitoring and assessment of the ameliorative condition of irrigated lands, veterinary medicine, forestry, specially protected natural areas, the Armed Forces, specializing in sports, culture, airport activities, provision of medical care within the guaranteed volume of free medical care and in the system of compulsory social health insurance, special state and law enforcement bodies in medical care within the guaranteed volume of free medical assistance and in the system of compulsory social health insurance, as well as state libraries, state museums, museum-reserves and state archives, in accordance with the laws of the Republic of Kazakhstan.

2. The procedure for provision of paid types of activities for the sale of goods (works, services) by state institutions, the money from the sale of which remains at their disposal in accordance with paragraph 1 of this Article, and the expenditure of money from the sale of goods (works, services) shall be developed and approved by the central state body of the relevant branch (sphere).

Footnote. Article 70, as amended by the Laws of the Republic of Kazakhstan dated 11.12.2009 No. 229-IV (the order of enforcement see Art. 2), dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication); dated 17.01.2014 № 165-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.05.2018 No. 155-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 80-VI dated 30.06.2017 (shall be enforced since 01.01.2020); No. 268-VI dated 28.10.2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2022 № 177 (shall be enforced ten calendar days after the date of its first official publication).

**Article 70-1. The reserve for the initiatives of the President of the Republic of Kazakhstan**

1. The reserve for the initiatives of the President of the Republic of Kazakhstan is formed as part of the republican budget for the first year of the planning period to finance the annual

messages of the President of the Republic of Kazakhstan to the people of Kazakhstan and other initiatives of the President of the Republic of Kazakhstan.

2. The reserve for the initiatives of the President of the Republic of Kazakhstan is planned in the amount of up to two percent of the planned volume of expenditures of the republican budget for the next financial year.

3. The reserve for the initiatives of the President of the Republic of Kazakhstan is provided for under a separate distributed budget program administered by the central authorized body for budget planning.

4. The procedure for distributing the reserve for the initiatives of the President of the Republic of Kazakhstan is determined by the Government of the Republic of Kazakhstan.

**Footnote. The law is supplemented by Article 70-1 in accordance with the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).**

### **Article 71. The development of the draft Law on the republican budget**

1. The central authorized body on budget planning shall draw up a draft of the republican budget and submit it for consideration by the Republican Budget Commission.

2. The consideration and determination of the draft of the republican budget shall be completed no later than August 1 of the current fiscal year.

3. The text of the draft Law on the republican budget should contain:

amounts of revenues, receipts of transfers, expenditures, net budget financing, balance of operations with financial assets, deficit (profit), non-oil deficit (profit), financing of deficit (use of profit) of the budget;

the minimum wages, pension, the monthly calculation index, the cost of living and the state basic pension payment;

the amount of state contributions for compulsory social health insurance payable to the social health insurance fund;

amounts of increase in pension payments by age and pension payments for years of service;

the volume of budgetary withdrawals from local budgets to the republican budget;

the budget subventions transferred from the republican budget to local budgets;

the volume of the guaranteed transfer from the National Fund of the Republic of Kazakhstan;

the size of the reserve of the Government of the Republic of Kazakhstan;

the size of the reserve for the initiatives of the President of the Republic of Kazakhstan;

the limit for the state guarantees of the Republic of Kazakhstan;

limit of state guarantees of the Republic of Kazakhstan on export support;

the limit for the provision of the state guarantees;

the limit of the government debt;

limit of state obligations for public-private partnership projects, including state concession obligations, the Government of the Republic of Kazakhstan;  
other provisions, - for the next financial year.

4. The draft Law on the republican budget shall include:

1) the draft of the republican budget for the planning period, formed by separate applications for each year of the planning period in accordance with a structure, defined by this Code and by the unified budget classification.

At the same time, the revenues are set out by categories, classes and subclasses, and the expenditures are set out by functional groups, administrators of the budget programs and the budget programs. The section “financing the (the use of surplus) budget deficit” shall be presented by the total amount.

The basic expenses set out in the expenses for the second and third years of the planning period by the functional groups, administrators of the budget programs and the budget programs, and the expenses for new initiatives are reflected in a budget program.

The annexes for each year of the planning period shall contain the size of non-oil deficit (profit) of the budget in monetary terms;

2) the amount of revenues for the current fiscal year, allocated to the National Fund of the Republic of Kazakhstan;

3) a list of republican and local budget programs (subprograms) for the next financial year that are not subject to sequestration in the process of budget execution;

3-1) forecast of receipts and expenditures of the State Social Insurance Fund and the Social Health Insurance Fund;

4) other data.

5. The amount of approved deficit (profit) and non-oil deficit (profit) of the republican budget for the next financial year is reflected in monetary terms and in percentages to the gross domestic product in the text of the draft of the Law on republican budget.

6. The central authorized body on budget planning shall submit a draft of the Law on republican budget for consideration to the Government of the Republic of Kazakhstan not later than August 15<sup>th</sup> of the current financial year.

**Footnote. Article 71, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first**

official publication); dated 30.06.2017 No. 80-VI (shall be enforced from 01.01.2021); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.04.2018 No. 147-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.04.2019 No. 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

**Article 72. Project development of the solutions of maslikhat on the regional budget, the budgets of the city of republican significance and the capital**

1. The local authorized body for state planning shall make the project of the regional budget, the budgets of the city of republican significance and the capital and submit it to the budget committee of the region, the city of republican significance and the capital for consideration.

2. The consideration and determination of the project of the regional budget, the budgets of the city of republican significance and the capital shall be completed no later than September 15 of the current fiscal year.

3. The text of the project's decision on the regional budget, the budgets of the city of republican significance and the capital should contain:

1) the amount of revenues, income from transfers, expenses, net budget lending, the balance of financial assets, the deficit (surplus), the budget deficit financing (the use of surplus );

2) the amount of budget subventions transferred from the regional budget to the district (the cities of regional significance) budgets;

3) the amount of budget exemptions from district (the cities of regional significance) budgets to the regional budget;

4) the amount of the reserve of the local executive body of the region, the city of republican significance and the capital;

5) other provisions, - the next financial year.

4. The project of the decision on the regional budget, the budgets of the city of republican significance and the capital shall include:

1) the project of the regional budget, the budgets of the city of republican significance and the capital for the planning period, formed by separate applications for each year of the planning period in accordance with a structure, defined by this Code and the unified budget classification.

At the same time the revenues are set out by categories, classes and subclasses, and the expenses set out by the functional groups, administrators of budget programs and the budget programs. The section "financing the budget deficit (the use of surplus)" shall be presented by the total amount.

The expenses for the second and third years of the planning period, the basic expenses are set out by the functional groups, administrators of the budget programs and the budget programs, and the expenses for new initiatives are reflected in a budget program;

2) a list of local budget programs (subprograms) for the next financial year that are not subject to sequestration in the process of execution of local budget for the next financial year, including those, established by the Law on republican budget;

3) the amount of the revenues to the National Fund of the Republic of Kazakhstan from the sale of agricultural land for the next fiscal year;

4) the budget programs of each district in the city;

4-1) excluded by Law of the Republic of Kazakhstan No. 90-VI dated July 11, 2017 (see subparagraph 1) of paragraph 1 of Article 2 for the enactment procedure);

5) other data

5. The size of the approved deficit (profit) of regional budgets, budgets of the cities of republican significance, the capital city is reflected in monetary terms.

6. The local authorized body for state planning shall submit the draft of the regional budget, the budgets of the city of republican significance and the capital to the local executive bodies of city of republican significance and the capital no later than October 1 of the current fiscal year.

7. The Akimat of the region, the city of the republican significance, the capital city is discussing the draft of the regional budget, the budget of the city of republican significance, the capital city at the meeting of public council, created in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

Footnote. Article 72, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No.263-IV (shall be enforced from 01.01.2010); dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); dated 02.11.2015 № 387-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (the procedure of enforcement see Art.2); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

**Article 73. Development of the decision draft of Maslikhat on the district (the city of regional significance) budget**

Footnote. The title of Article 73 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The local authorized body on state planning shall draw up a draft of district (the city of regional significance) budget and submit it for consideration to the Budget Commission of the district (the city of regional significance).

2. Consideration and definition of the draft of district (the city of regional significance) budget shall be completed no later than October 1<sup>st</sup> of the current financial year.

3. The text of the decision draft of Maslikhat on the district (the city of regional importance) budget should contain for the next financial year:

1) the amount of revenues, income from transfers, expenses, net budget lending, the balance of financial assets, the deficit (surplus), financing of the budget deficit (the use of surplus);

2) the amounts of budget subventions transferred from the district (the city of regional significance) budget to the budgets of cities of district significance, villages, townships, rural districts;

3) the amounts of budget exemptions from the budgets of cities of district significance, villages, townships, rural districts to district (the cities of regional significance) budgets;

4) the amount of the reserve of the local executive body of the district (the city of regional importance);

5) other provisions, - for the next fiscal year.

4. To the decision draft of the Maslikhat on district (the city of regional significance) budget shall be attached:

1) the project of the district (the city of regional significance) budget for the planning period, formed by separate annexes for each year of the planning period in accordance with the structure, defined by this Code and a unified budget classification.

At the same time, the revenues are set out by categories, classes and subclasses, and the expenses set out by the functional groups, administrators of the budget programs and the budget programs. The section “financing of the budget deficit (the use of surplus)” shall be presented by the total amount.

In the expenses for the second and third years of the planning period, basic expenses are set out by the functional groups, administrators of the budget programs and the budget programs, and the expenses for new initiatives are reflected in a budget program;

2) a list of budget programs (subprograms) for the next financial year that are not subject to sequestration in the process of execution of local budget, including those, established by the decision of regional Maslikhat on approval of the regional budget;

3) the amount of the revenues to the National Fund of the Republic of Kazakhstan from the sale of agricultural land for the next fiscal year;

**This edition of sub-paragraph 4) is valid from 01.01.2018 for the cities of district significance, villages, townships, rural districts with a population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (the current edition before 01.01.2020 for the cities of district significance, villages, townships, rural districts with population of two thousand or less people, see the archive**

version dated 11.07.2017 of Budget code of the Republic of Kazakhstan dated 04.12.2008 № 95-IV).

4) budget programs of the district in the city; 5) other data.

4-1) excluded by Law of the Republic of Kazakhstan No. 90-VI dated July 11, 2017 (see subparagraph 1) of paragraph 1 of Article 2 for the enactment procedure);

5. The size of the approved deficit (profit) of the district (the city of regional significance) budget for the next financial year shall be reflected in monetary terms.

6. The local authorized body on state planning shall submit a draft of the district (the city of regional significance) budget to the local executive body of the district (the city of regional significance) no later than October 15<sup>th</sup> of the current financial year.

7. The Akimat of the district (the city of regional importance) shall discuss the draft of the district (the city of regional significance) budget at a meeting of the public council, established in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

Footnote. Article 73, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); dated 02.11.2015 № 387-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); from 11.07.2017 № 90-VI (procedure of enforcement see Art.2).

#### **Article 73-1. Development of a draft decision of the Maslikhat on the budgets of cities of district significance, villages, townships, rural districts**

1. The apparatus of the Akim of the city of district significance, village, township, rural district shall make up the draft budget of the city of district significance, village, township, rural district and after its coordination with the local community meeting, submit it to the local authorized body on state planning of the district (the city of regional significance) not later than September 1<sup>st</sup> of the current financial year.

The local authorized body on state planning of the district (the city of regional significance) shall submit for consideration of the budget commission of the district (the city of regional significance) the drafts of budgets of cities of district significance, villages, townships, rural districts.

2. Consideration and definition of drafts of budgets of cities of district significance, villages, townships, rural districts shall be completed no later than October 15<sup>th</sup> of the current financial year.

3. The text of the decision draft of the Maslikhat on the budgets of cities of district significance, villages, townships, rural districts shall be developed by local authorized body on state planning of the district (the city of regional significance), jointly with the Akims of the cities of district significance, villages, townships, rural districts and should contain for the next financial year:

1) volumes of income, receipts of transfers, expenses, net budget lending, balance of operations with financial assets, deficit (surplus), deficit financing (surplus use) of budgets;

2) the amount of budget subventions, transferred from the district (the city of regional significance) budget to the budgets of cities of district significance, villages, townships, rural districts;

3) the amounts of budget withdrawals from the budgets of cities of district significance, villages, townships, rural districts

4) other provisions.

4. The decision draft of the Maslikhat on the budgets of cities of district significance, villages, townships, rural districts for each local budget shall be attached by:

1) the draft of the budget for the planning period, formed by separate annexes for each year of the planning period in accordance with the structure, defined by this Code and a unified budget classification.

At the same time, revenues are stated by categories, classes and subclasses, and expenditures are stated by functional groups, budget program administrators and budget programs. The section "Financing the deficit (use of profit) of the budget" is represented by the total amount.

In the expenditures for the second and third years of the planning period, the basic expenses are stated by functional groups, budget program administrators and budget programs, and expenditures for new initiatives are reflected by one budget program;

2) a list of budget programs for the next financial year that are not subject to sequestration in the process of execution of the local budget, including those, established by the decision of the Maslikhat of the district (the city of regional significance) on approval of the district (the city of regional significance) budget;

3) other data.

5. The size of the approved deficit (profit) of the budget of the city of district significance, village, township, rural district for the next financial year shall be reflected in monetary terms.

6. The apparatus of the Akim of the city of district significance, village, township, rural district shall present the draft of the budget of the city of district significance, a village, a township, a rural district, approved by the district (the city of regional importance) budget commission for consideration of the local community meeting no later than November 1<sup>st</sup> of the current fiscal year.

**Footnote. Chapter 12 is supplemented by Article 73-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); with changes. introduced by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication).**

## Chapter 13. GENERAL PROVISIONS OF THE REVIEW PROCESS AND APPROVAL OF THE DRAFT BUDGET

### Article 74. General provisions on the review and approval of the draft republican budget

1. The draft of the Law on the republican budget shall be submitted by the Government of the Republic of Kazakhstan to the Parliament of the Republic of Kazakhstan no later than September 1<sup>st</sup> of the current financial year.

The Government of the Republic of Kazakhstan simultaneously with the draft of the Law on republican budget shall submit the following documents and materials:

- 1) the prediction of socio-economic development of the republic;
  - 1-1) analytical report on budgetary risks and long-term sustainability of public finances;
  - 2) excluded Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication) ;
    - 2-1) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication);
  - 3) data on the position of state and guaranteed by the state debt on types of debt for the two financial years and on July 1<sup>st</sup> of the current financial year;
    - 3-1) data on attracted state loans and guaranteed by the state loans on types and forms for the two financial years and on July 1<sup>st</sup> of the current financial year;
      - 3-2) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication);
      - 3-3) forward-looking consolidated financial statements for the republican budget;
    - 4) explanatory note reflecting directions of priority budget financing to ensure measures to achieve the country's national priorities, disclosing the decisions included in the draft republican budget.

The explanatory note shall also include the feedback on recommendations of the Supreme Audit Chamber of the Republic of Kazakhstan, entered as part of the preliminary assessment of the draft republican budget.

The explanatory note shall be supplemented by the list of budget investments, including those aimed at the implementation of public-private partnership projects, in the context of documents of the State Planning System;

5) documents of administrators of budget programs signed by the first head of the administrator of budget programs, including:

- draft development plans of state bodies or draft amendments and additions to the development plans of state bodies of central state bodies;
- projects of budget programs of administrators of budget programs;
- assessment of the economic effect of the declared expenses for budget investment projects , the formation and (or) increase in the authorized capital of legal entities, budget subsidies;
- explanatory note containing:

a brief description of the current situation, existing problems;  
description of ways to improve the situation and address problems, achieve goals and planned target indicators defined in the draft development plan of the state body;  
description of the goals of budget programs and the planned final results of budget programs;  
directions of spending budget funds in the context of budget programs and budget subprograms, a description of the direct results of budget programs;  
a description of the execution of budget programs and the results achieved for the two reporting financial years, as well as information (reasons, consequences) on the deviation of the volume of planned budget funds for the planning period from the volume of budget funds approved in the law on the republican budget in the previous planning period;  
information on performance indicators for two reporting financial years of quasi-public sector entities for which the draft republican budget provides for budget funds to increase their authorized capital and (or) provide budget loans;  
information on launched (ongoing) budget investment projects included in the draft budget for the planned period, indicating the costs allocated and used at the expense of the republican budget in previous financial years;  
information on the use of target transfers for development allocated from the republican budget over two reporting financial years, broken down by lower budgets, indicating the names of local budget investments and expenditures.

2. The approval of the republican budget shall be in the separate sessions of the Chambers , by consecutive consideration, first in the Mazhilis, and then in the Senate no later than on December 1 of the current fiscal year.

3. If the Parliament of the Republic of Kazakhstan does not adopt the Law on the republican budget before December 1<sup>st</sup> of this year, the President of the Republic of Kazakhstan shall have the right to issue a decree on the republican financial plan for the first quarter of the next financial year, which is valid until the Parliament of the Republic of Kazakhstan approves the Law on the republican budget. The decree draft of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the next financial year, as well as the resolution draft of the Government of the Republic of Kazakhstan on its implementation, shall be developed by the central authorized body on budget planning.

The republican financial plan for the first quarter of the next financial year shall be approved no later than 25 December of the current year in the amount of one-fourth of the forecast for the republican budget for the next fiscal year.

The execution of the republican financial plan is carried out in the manner, prescribed by this Code.

4. If the republican financial plan for the first quarter of the next fiscal year is approved, the republican budget for the fiscal year shall be approved no later than 1 March of the same year.

In this case, the republican budget for the financial year is approved taking into account the republican financial plan for the first quarter of that year.

5. The Law on the republican budget with the applications, the decree of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the upcoming financial year with the applications shall be published in the media.

**Footnote. Article 74, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication ); No. 112-VI dated 30.11.2017 (see Art. 2 for the enactment procedure); No. 290-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 75. General provisions on the review and approval of the draft local budget**

1. The draft of the regional budget, the budgets of the city of republican significance and the capital shall be submitted by the local executive body of the region, the city of republican significance and the capital to the appropriate maslikhat no later than October 15 of the current fiscal year.

The project of the district (the city of regional significance) budget shall be introduced by the local executive body of the district (the city of regional significance) into the corresponding Maslikhat no later than November 1<sup>st</sup> of the current financial year.

Projects of budgets of the cities of district significance, villages, townships, rural districts shall be introduced by the local executive body of the district (the city of regional significance ) in the Maslikhat of the district (the city of regional significance) no later than November 10<sup>th</sup> of the current financial year.

The local executive body together with the draft of the local budget shall present the following documents and materials:

- 1) the forecast for social and economic development of the region;
  - 2) is excluded by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V ( shall be enforced upon expiry of ten calendar days after its first official publication);
    - 2-1) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication);
    - 2-2) forecast consolidated financial statements on the oblast budget, the budget of the city of republican status, the capital;
  - 3) an explanatory note disclosing the decisions included in the draft local budget;
  - 4) documents of administrators of budget programs signed by the first head of the administrator of budget programs, including:
    - projects of budget programs of administrators of budget programs;
    - explanatory note containing:
      - a brief description of the achieved performance indicators for the reporting financial year;
      - a brief description of the current situation, existing problems;
      - description of ways to improve the situation and address problems, achieve goals and planned target indicators defined in the development plan of the region, the city of republican status, the capital;
      - description of the goals of budget programs and the planned final results of budget programs;
      - directions of spending budget funds in the context of budget programs and budget subprograms, description of the direct results of budget programs.
2. The regional budget, the budgets of the city of republican significance and the capital are approved by the relevant maslikhats not later than two weeks after the signing of the President of the Republic of Kazakhstan of the Law on the republican budget.
- The district (the city of regional significance) budget shall be approved by the Maslikhat of the district (the city of regional significance) no later than two weeks after signing the decision of regional Maslikhat on approval the regional budget.
- The budgets of cities of district significance, villages, townships, rural districts are approved by the maslikhat of the district (city of regional significance) until the end of the financial year from the date of signing the decision of the maslikhat of the district (city of regional significance) on the approval of the district (city of regional significance) budget.
- It is allowed to approve the budgets of cities of district significance, villages, towns, rural districts by separate decisions of the maslikhat of the district (city of regional significance).
3. In case that a decision on the local budget is not adopted by the Maslikhat within the term, specified in paragraph 2 of this Article, the local executive body of the relevant administrative-territorial unit or the Akim of the city of district significance, village, township , rural district shall issue a resolution or decision on local financial plan for the first quarter of

the next financial year, which is valid until the approval of the local budget by the Maslikhat. The draft of resolution of the local executive body on local financial plan for the first quarter of the next fiscal year shall be developed by the local authorized body on state planning.

The local financial plan for the first quarter of the next financial year is approved no later than 25 December of the current year in the amount of one-fourth of the forecast for the local budget for the next fiscal year.

The decision draft of the Akim of the city of district significance, village, township, rural district on local financial plan for the first quarter of the next financial year shall be developed by the apparatus of the Akim of the corresponding administrative-territorial unit.

The execution of the local financial plan is carried out in the manner prescribed by this Code.

4. If the local financial plan for the first quarter of the next financial year is approved, the local budget for the financial year shall be approved no later than 1 March of the same year.

5. Local executive bodies of regions, cities of republican significance, the capital city, within seven calendar days after the decision of the district (city) Maslikhats on approval of the district budgets (the cities of regional significance), budgets of the cities of district significance, villages, townships, rural districts shall represent the budgets of regions, cities of republican significance, the capital city budget, based on approved local budgets, as well as the list of investment projects for the planning period, financed from local budgets to the central authorized body on state planning and the central authorized body on budget planning.

6. The decision of the Maslikhat on the local budget with annexes and the resolution of the local executive body (decision of the Akim of the city of district significance, village, township, rural district) on local financial plan for the first quarter of the next financial year with the annexes shall be published in the mass media.

**Footnote. Article 75, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced from 01.01.2023); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.06.2021 No. 60-VII (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Article 76. Basic principles of considering the draft budgets by the representative bodies**

1. The representative bodies adhere to the following principles in considering the draft budgets:

- 1) the principle of reasonableness;
- 2) the compliance with the principle of a balanced budget.

2. The principle of reasonableness shall mean that any proposals of deputies on amendments or additions to the draft budget must be supplemented by a written rationale for the need to introduce these amendments, their compatibility with the socioeconomic development priorities, with the application of relevant calculations to them and proposals to adjust the development plans indicators for the region, the city of republican status, the capital, as well as indicators provided for in budget programs.

3. The compliance with the principle of a balanced budget means that the additional sources of revenue or the cut expenses to keep the amount of the budget deficit no more than in the draft budget should be identified in making of any changes or additions to the draft budget by the deputies.

**Footnote. Article 76, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Article 77. The consideration of the draft republican budget in the Parliament of the Republic of Kazakhstan**

The consideration of the draft Law on the republican budget in the plenary of the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan shall include the reports of the person (s), authorized by the Government of the Republic of Kazakhstan on the forecast of social and economic development and the draft Law on the republican budget, the Chairperson of the National Bank of the Republic of Kazakhstan on the monetary policy, and the persons authorized by the Chambers of the Parliament of the Republic of Kazakhstan, with the conclusions on the draft Law.

Consideration of the draft law on the republican budget at meetings of working groups and standing committees of the Parliament of the Republic of Kazakhstan shall include reports from the heads of central state bodies on the planned target indicators of development plans of state bodies and (or) the final results of budget programs.

**Footnote. Article 77, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Article 78. Consideration of the draft of local budget in the permanent commissions and at the Maslikhat session**

Footnote. The title of Article 78 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The draft local budget is considered in the standing committees of the relevant maslikhat.

2. The permanent commissions of the respective Maslikhats create working groups from the members of the Commission. Representatives of local executive bodies and local self-government bodies may be involved in working groups.

3. The standing committees, taking into account the views of the working groups shall develop the proposals for amendments and additions to the draft local budget with the appropriate justifications and estimates, and direct them to the leading standing committee, defined by the relevant maslikhat.

4. The leading standing committee shall carry out a set of proposals of the standing committees, which shall be submitted to the session of maslikhat. Only those proposals that have the appropriate justification and calculations shall be entered into the set.

5. Discussion at the session of the respective Maslikhat of the draft of local budget shall include reports of the Akim of the relevant administrative-territorial unit or the person ( persons) authorized by the local executive body on socio-economic development prediction of the region, the city of republican significance, the capital city, the local budget draft, as well as persons, authorized by the Maslikhat, with conclusion on the draft of local budget.

Discussion at the session of the relevant maslikhat of budgets draft of the cities of district significance, villages, townships, rural districts includes reports of the akim of the district (the city of regional significance) or authorized by the local executive body of the person (s) on prediction of socio-economic development of the region, the city of republican significance, the capital city, the budgets draft of the cities of district significance, villages, townships, rural districts, as well as authorized by the maslikhat of the person (s) with conclusion on the budgets draft of the cities of district significance, villages, townships, rural districts.

Discussion in the permanent commissions of the respective Maslikhat of the draft of local budget shall include the reports of the heads of administrators of local budget programs on the planned direct and final results of local budget programs.

Footnote. Article 78, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

**Article 79. Resolutions of the Government of the Republic of Kazakhstan and local executive bodies, the decision of the Akim of the city of district significance, the village, the township,**

## **the rural district on implementation of the Law on Republican budget and decisions of Maslikhats on local budgets**

**Footnote. The title of Article 79 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

1. The resolution of the Government of the Republic of Kazakhstan on implementation of the Law on Republican budget shall be adopted within seven calendar days from the date of signing the Law on Republican budget by the President of the Republic of Kazakhstan.

The resolution of the local executive body (the decision of the Akim of the city of district significance, the village, the township, the rural district) on implementation of the decision of the Maslikhat on local budget shall be made within fourteen calendar days after the approval of the local budget by the Maslikhat.

The decision draft of the Akim of the city of district significance, the village, the township, the rural district on implementation of the decision of the Maslikhat of the district (the city of regional importance) on local budget shall be developed by the apparatus of the Akim of the relevant administrative-territorial unit.

The drafts of resolutions of the Government of the Republic of Kazakhstan and local executive bodies on implementation of the Law on the republican budget and implementation of the decision of Maslikhat on local budget shall be developed respectively by the Central authorized body on budget planning and the local authorized body on state planning.

2. Resolutions of the Government of the Republic of Kazakhstan and local executive bodies (the decision of the Akim of the city of district significance, the village, the township, the rural district) on implementation of the Law on republican budget and the decision of the Maslikhat on local budget provide instructions to the authorized body for execution of the budget, the apparatus of the Akim of the relevant administrative-territorial unit, the administrators of budget programs to ensure the timely execution of the budget, local executive bodies and the Akim's apparatus of the relevant administrative-territorial unit in terms of use of targeted transfers and credits from the higher budget.

The decision of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget shall include:

1) distribution of targeted current transfers and loans to regional budgets, budgets of cities of republican significance, the capital;

1-1) the distribution of the total reserve of the Government of the Republic of Kazakhstan by the type of reserve;

**1-2) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);**

2) the list of the priority republican budget investments, including budget investments in the context of the objects, as well as the targeted transfers for development and the loans by regions, cities of republican significance and the capital for the planning period;

2-1) excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020);

In cases of failure to submit the appropriate documentation in a timely period, the budget investments are excluded from the republican budget for clarification or correction. In this case, the amounts available for the implementation of these budget investments, may be redistributed among other budget investments of the appropriate administrator of budget programs;

3) a list of public-private partnership projects, planned for implementation, requiring financing of state obligations for public-private partnership projects, including state concession obligations, from the republican budget;

4) Is excluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV ( shall be enforced from 01.01.2010);

5) a list of state tasks for the planning period, indicating the administrators of the republican budget programs and legal entities, responsible for the performance of state tasks;

5-1) is excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication);

6) other data or indicators, necessary for the implementation of the Law on the republican budget, the determination of which entrusted to the Government of the Republic of Kazakhstan.

The decision of the local executive bodies on the implementation of the solutions of maslikhat on the local budget shall include:

1) distribution of targeted transfers and loans to the budgets of districts (cities of regional significance), cities of district significance, villages, towns, rural districts;

1-1) distribution of the total amount of the reserve of the Government of the Republic of Kazakhstan for administrators of budget programs and types of reserves;

1-2) excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication);

2) a list of priority local budget investments, including investment projects in the context of facilities, as well as targeted transfers for the development in the context of districts, cities of regional significance, cities of district significance, villages, townships, rural districts for the planning period

3) a list of public-private partnership projects, planned for implementation, requiring financing of government obligations under public-private partnership projects, including state concession obligations, from the local budget;

4) is excluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV ( shall be enforced from 01.01.2010);

5) other data or indicators needed to implement the solutions of maslikhat on the local budget, the definition of which entrusted to the local executive body.

The decision of the Akim of the city of district significance, village, township, rural district on implementation of the decision of the Maslikhat on the budgets of cities of district significance, villages, townships, rural districts shall be attached by:

1) a list of priority local budget investments, including investment projects in the context of facilities;

2) other data or indicators necessary to implement the decision of the Maslikhat on the budgets of cities of district significance, villages, townships, rural districts, the determination of which is assigned to the apparatus of the Akim of the respective administrative-territorial unit.

3. In case of clarification of the republican budget, the resolution of the Government of the Republic of Kazakhstan on amendments and additions to the resolution of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget shall be approved within ten days from the date of signing by the President of the Republic of Kazakhstan the Law on amendments and additions to the Law on the republican budget.

In case of clarification of local budget, the resolution of the local executive body (the decision of the Akim of the city of district significance, village, township, rural district) on introducing changes and additions to the resolution of the local executive body (the decision of the Akim of the city of district significance, village, township, rural district) on implementation of the decision of Maslikhat on local budget shall be approved within two weeks after the approval of Maslikhat's decision on introducing changes and amendments to the decision of Maslikhat on local budget.

Footnote. Article 79, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 290-VI dated 27.12.2019 (shall be enforced since 01.01.2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be

enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication);

## **Chapter 14. DEVELOPMENT, INTRODUCTION OR TERMINATION OF THE EMERGENCY STATE BUDGET**

### **Article 80. The basis for the development, introduction or termination of the emergency state budget**

1. The basis for the development, introduction or termination of the emergency state budget is the decrees of the President of the Republic of Kazakhstan on the introduction or the full or partial cancellation of the emergency or martial Law in the territory of the Republic of Kazakhstan.

2. The imposition of the state of emergency in several regions of the Republic of Kazakhstan, at the same time can be the basis for the introduction of emergency state budget only in a case, where the consequences of a state of emergency can pose a real threat to national interests and economic security of the country.

3. The emergency state budget shall be developed by the Central authorized body on budget planning and approved by the decree of the President of the Republic of Kazakhstan in the manner, established by the legislation of the Republic of Kazakhstan.

**Footnote. Article 80, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).**

### **Article 81. Development of the project of the emergency state budget**

1. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication).

2. When the President of the Republic of Kazakhstan introduces an emergency or military state, the relevant state bodies shall submit budget applications to the central authorized body on budget planning for financing the activities, carried out during the period of emergency or martial state.

3. The central authorized body on budget planning shall draw up a list and amounts of budget programs for financing the activities of emergency or military state and submit them to the Republican Budget Commission for consideration.

4. After the approval of lists and amounts of budget programs, indicated in paragraph 3 of this Article by the Republican Budget Commission, the central authorized body on budget planning shall draw up a draft decree of the President of the Republic of Kazakhstan on emergency state budget. The draft decree of the President of the Republic of Kazakhstan on emergency state budget shall be attached by:

1) emergency state budget, which is drawn up according to the structure, established by this Code;

2) the indicators of the republican and local budgets, included in the emergency state budget and adjusted taking into account the need to finance the activities of emergency or military state.

5. The draft decree of the President of the Republic of Kazakhstan on the emergency state budget shall be introduced by the Government of the Republic of Kazakhstan to the approval of the President of the Republic of Kazakhstan under the legislation of the Republic of Kazakhstan, unless otherwise provided by the decree of the President of the Republic of Kazakhstan on the state of emergency or martial Law.

**Footnote. Article 81, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **SECTION 4. IMPLEMENTATION OF THE BUDGET**

### **Chapter 15. GENERAL PROVISIONS ON THE IMPLEMENTATION OF THE BUDGET**

#### **Article 82. General provisions on the implementation of the budget**

1. Implementation of the budget is a range of measures to ensure the revenues to the budget, implementation of the budget programs (subprograms), financing the budget deficit (the use of surplus).

2. Implementation of the republican budget is provided by the Government of the Republic of Kazakhstan.

3. Implementation of the local budgets is provided by local executive bodies.

Execution of the budget of the city of district significance, village, township, rural district shall be provided by the apparatus of the Akim of the relevant administrative-territorial unit.

4. The central authorized body for the implementation of the budget shall provide the development and implementation of the state policy in the field of implementation of the budget, and develop, approve within its competence, the regulatory legal acts concerning the implementation of the republican and local budgets, provide the methodological guidance in the field of implementation of the republican and local budgets, accounting and budgetary accounting, financial and budgetary reporting.

5. Implementation of the budget begins on January 1 and ends on December 31 of the current fiscal year.

6. Implementation of the budget is carried out within the scope of the budget for the financial year, approved by the Law on the republican budget or the decision of maslikhat on the local budget.

Using of the budget funds for the current fiscal year, provided in the second and (or) the third fiscal years of the planning period, is not allowed in the implementation of the budget.

7. Organization of the budget implementation and coordination of the activities of administrators of budget programs for the implementation of the budget is imposed to the relevant authorized body for the implementation of the budget.

**Note!**

Amendments to paragraph 8 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

8. Budget execution procedures and their cash services shall be established by the central authorized body for budget execution, with the exception of budget execution procedures by special state bodies, which shall be established by special state bodies in coordination with the central authorized body for budget execution, as well as budget execution procedures in the implementation of the national pilot project in education, which shall be established by the authorized education body in coordination with the central authorized budget execution body.

Footnote. Article 82 as amended by the laws of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

**Article 83. Execution of the budget, taking into account the peculiarities of certain laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan**

**Note!**

Amendments to article 83 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

The provisions of this Code governing the budget execution shall be applied subject to the specifics established by the laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan regulating issues of state secrets, elections of the President of the Republic of Kazakhstan, deputies of the Parliament of the Republic of Kazakhstan, deputies of maslikhats, akims of districts, cities of oblast scale, towns of district scale, villages, settlements, rural districts, as well as members of local governments in the Republic of Kazakhstan, implementation of operational-search, counterintelligence activities, support of foreign policy activities, defense capability, national security of the country and implementation of pilot national project in education.

Footnote. Article 83 is in the wording of the Law of the Republic of Kazakhstan № 36-VI dated 28.12.2016 (shall be enforced upon expiry of two months after its first official publication); as amended by the Laws of the Republic of Kazakhstan dated 05.11.2022 No. 157-VII (shall be enforced from 01.01.2023); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

## **Chapter 16. THE PROCESS OF THE BUDGET IMPLEMENTATION**

### **Article 84. The documents that are the basis for the implementation of budget**

The basis for the implementation of the budget are:

- 1) this Code;
- 2) the Law on the republican budget and the decision of maslikhat on the local budget;
- 3) the decree on the republican financial plan and the resolution of the local executive body or the decision of the Akim of the city of district significance, village, township, rural district on local financial plan for the first quarter of the next financial year;
- 4) resolutions of the Government of the Republic of Kazakhstan or local executive body or decisions of Akims of cities of district significance, villages, townships, rural districts on implementation of the Law on the republican budget or the decision of the Maslikhat on local budget;
- 5) decisions of the Government of the Republic of Kazakhstan or local executive body or decisions of the Akims of cities of district significance, villages, townships, rural districts, taken in the course of execution of republican or local budget;
  - 5-1) national projects;
- 6) development plans of state bodies;
  - 6-1) budget programs;
- 7) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V ( shall be enforced from 01.01.2015);
- 8) the summary plan for funding the obligations, the summary plan of revenues and financing the payments;
- 9) the plans for financing the obligations and charges of the administrators of budget programs;
- 10) the individual plans for financing the obligations and charges of the state institutions;
- 11) the regulatory legal acts, determining the order of implementation of the budget in accordance with this Code.

**Footnote. Article 84, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced from 01.01.2015); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 85. The summary plan for funding the obligations, the summary plan of revenues and financing the payments**

1. Compilation, approval and maintenance of the consolidated financing plan for obligations, a consolidated revenue plan and financing for payments on republican and local budgets shall be carried out respectively by central and local authorized bodies on budget

execution, except for the budgets of cities of district significance, villages, townships, rural districts, on which are carried out by Akims' apparatus of the relevant administrative-territorial units.

2. The summary plan for financing the obligations is drawn up by the functional groups, administrators of the budget programs and the budget programs of the functional classification of budget expenditures on the basis of the plans for financing the obligations of the administrators of the budget programs that define the monthly volume of obligations in terms of money within the designated annual amount of budget funds, received by the administrators of the budget programs and by their dependent state institutions.

3. The summary plan of revenues and financing the payments is a document defining a monthly balanced plan of revenues to the budget and financing the budget programs for the payments.

The summary plan of revenues and financing the payments must be balanced, which means avoiding the excess of expenditure over revenues by months cumulative from the beginning of the year.

4. The summary plan of revenues and financing the payments consists of a summary plan of revenues to the budget, which is drawn up on the categories, classes, subclasses, specific classification of the budget revenues and the summary plan of financing the payments, which is drawn up by the functional groups, administrators of the budget programs and the budget programs of the functional classification of the budget expenditures.

The consolidated budget revenue plan is compiled by the authorized body for budget execution, except for the budgets of cities of district significance, villages, townships, rural districts, which are compiled by the Akims' apparatus of the relevant administrative-territorial units. The consolidated plan of budget revenues is compiled according to the full volume of classification codes of budget receipts, based on the terms of payments receipt to the budget in accordance with the laws of the Republic of Kazakhstan, the dynamics of payments to the budget for previous years, the analysis of the results of profitability dynamics of government securities and the level of demand and supply on the securities market, terms of credit agreements, loan agreements, agreements on related grants.

The summary plan for financing the payments is drawn up on the basis of the plans for financing the payments of the administrators of the budget programs, defining the monthly amount of budget funds, within the annual amount of budget funds designed to them, needed to the administrator of the budget programs and its subordinate state bodies to make the payments in fulfillment of the commitments.

Annual amounts of the consolidated financing plan for obligations, the consolidated revenue plan and financing for payments should conform the amounts of revenues and expenditures of the approved (revised, adjusted) budget.

Annual amounts of financing plan for obligations, the financing plan for payments by administrators of budget programs should conform:

at the level of budget programs - the amount of expenditure under the budget program of the approved (revised, adjusted) budget;

at the level of budget subprograms - the amount of expenditure under the budget subprogram of the approved (re-approved) budget program.

5. Individual plans for financing the obligations and charges of the state institutions are developed by the state bodies on the functional and economic classification of budget expenditures and transmitted to the administrators of budget programs for the approval and development of plans for financing the obligations and charges of the administrators of budget programs.

6. The total amount of expenditure on individual plans of financing the obligations and charges shall comply with the summary plan of financing the obligations and charges.

7. Financing plans for obligations and payments of administrators of budget programs shall be developed by administrators of budget programs on functional and economic classifications of expenditures and transferred at the level of budget programs to the central or local authorized body for budget execution, except for administrators of budget programs financed from the budgets of cities of district significance, villages, townships, rural districts, which transfer them to the Akims' apparatus of the relevant administrative-territorial units.

The administrator of budget programs provides the distribution of the scheduled appointments for months in order to ensure the timely implementation of the operational plan.

8. The summary plan for financing the obligations, the summary plan of revenues and financing the payments, the plans for financing the obligations and charges of the administrators of budget programs, the individual plans for financing the obligations and charges of the state institutions are developed and approved for the first year of the planning period.

9. Administrators of budget programs independently make changes to financing plans for liabilities and payments, related to the specifics of economic classification of budget expenditures and not changing annual and monthly amounts of expenditures under the budget program.

In case of budget savings in the course of budget execution:

administrators of republican budget programs shall be entitled to redistribute funds between the republican budget investment projects within the limits of one budget program (subprogram), except for programs (subprograms), financed from loans, grants, targeted transfers from the National Fund of the Republic of Kazakhstan, without consideration by the Republican Budget Commission;

local executive bodies shall have the right to redistribute funds between local budget investment projects and also in coordination with administrators of the republican budget programs between local budget investment projects, financed by targeted development transfers from a higher budget within the same budget program (subprogram), except for programs (sub-programs), financed from loans, grants, targeted transfers from the National

Fund of the Republic of Kazakhstan, and in the limits of one area without consideration at the corresponding budget commission of the region, city of republican significance, capital city, district (the city of regional significance);

administrators of budget programs shall have the right to redistribute the amount of savings, generated by the current budget subprogram to a budget subprogram of development within a single budget program, as decided by the administrator of the budget program, by introducing changes to the budget program without consideration by the appropriate budget commission, except for redistributing funds on new budget investment projects, not provided by the budget subprogram of development, and the costs associated with the increase of the cost of the budget;

state institutions shall have the right to redistribute funds within the same budget program (subprogram), except for programs (subprograms) financed from loans, grants, targeted transfers from the National Fund of the Republic of Kazakhstan, targeted transfers from a higher budget.

9-1. In the course of budget execution, administrators of the republican budget programs, in the manner, determined by the central authorized body for budget execution, shall have the right to redistribute funds within the same budget program (subprogram) for targeted development transfers, except for programs (subprograms), financed from loans, grants, target transfers from the National Fund of the Republic of Kazakhstan, provided in the approved (revised) republican budget for the current financial year, between regions, cities of republican significance and the capital city in coordination with local executive bodies of relevant regions, cities of republican significance, the capital city.

In the course of budget execution, the administrators of regional budget programs in the manner, determined by the Central authorized body for budget execution, shall have the right to redistribute funds within one budget program (subprogram) for targeted transfers for development, except for programs (subprograms) financed from loans, grants, targeted transfers from the National Fund of the Republic of Kazakhstan, provided in the approved (revised) regional budget for the current financial year, between districts (the cities of regional significance) in coordination with local executive bodies of the relevant districts, cities of regional significance.

9-2. Local executive body of region, the city of republican significance, the capital city, district, the city of regional significance in the manner, determined by the central authorized body on budget execution, shall have the right to redistribute funds within the same budget program for targeted transfers to development between the local budget investment projects, provided in the approved (revised) the local budget for the current fiscal year, while maintaining planned indicators of direct and final results in coordination with senior administrator of budget programs.

9-3. In the course of budget execution, the administrators of budget programs in the manner, determined by the Central authorized body for budget execution, without changing

the annual amount of expenditures on the budget program, provided that the planned indicators of the final results are retained, shall have the right to redistribute funds:

1) between the activities within one current budget program or one current budget subprogram of the budget program independently without consideration by the appropriate budget commission;

2) between the current budget subprograms within the same budget program, except for budget subprograms, financed from loans, grants, targeted transfers from the National Fund of the Republic of Kazakhstan, targeted transfers from a higher budget, without consideration on the appropriate budget commission;

3) between budget investment projects within one budgetary development program or one budgetary subprogram for the development of a budget program, with the exception of subprograms financed by loans, grants, target transfers from the National Fund of the Republic of Kazakhstan and target transfers, targeted transfers and loans from a higher-level budget , without consideration by the budget commission;

4) between budget development subprograms within a single budget program, except for subprograms, financed from loans, grants, targeted transfers from the National Fund of the Republic of Kazakhstan and targeted transfers from a higher budget, without consideration on the budget commission.

9-4. Amendments to individual financing plans for obligations and payments of state institutions shall be carried out by the administrator of budget programs at the request of government agencies.

The changes in monthly amounts of expenditures required by the budget program administrators shall be made through the central or local authorized body for budget execution.

10. The procedure for compiling and maintaining a consolidated financing plan for obligations, a consolidated revenue plan and financing for payments, financing plans for obligations and payments of administrators of budget programs, individual financing plans for liabilities and payments of state institutions shall be established by the central authorized body for budget execution.

11. To conduct a current assessment of the republican and local budgets execution and for the formation of the single database on state audit and financial supervision, no later than five working days after approval (amendments), the central and local authorized bodies for budget execution shall send to the Supreme Audit Chamber of the Republic of Kazakhstan, respectively, a consolidated financing plan for obligations, consolidated plan on receipts and financing on payments, financing plans on obligations and payments of budget programs administrators, individual financing plans on obligations and payments of state institutions, as well as amendments made to the above documents with rationales for such changes.

**Footnote. Article 85, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first**

official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 27.04.2012 No. 15-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication)); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).

## **Chapter 17. SERVICE ACCOUNTS OF THE CASH EXECUTION OF THE BUDGET**

### **Article 86. Single treasury account**

1. The single treasury account is opened in the National Bank of the Republic of Kazakhstan in the national currency for the centralized transfer operations and their accounting.

The single treasury account is opened to the central authorized body for budget execution in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

2. The single treasury account includes the balances of money of cash control accounts.

### **Article 87. The accounts of the authorized body for budget execution in foreign currency**

For transactions in foreign currencies and conducting their accounting the accounts for different types of foreign currencies are opened to the central authorized body for budget execution by the National Bank of the Republic of Kazakhstan, in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

### **Article 88. The cash control accounts**

1. The cash control accounts are designed to the accounting operations, involving:

1) the crediting of revenues to the republican and local budgets and carrying out the expenditures of the republican and local budgets;

2) the crediting of money from the sale of goods (works, services) by the state institutions and holding the costs at the expense of the them (free-based services);

3) the crediting of revenues, directed to the National Fund of the Republic of Kazakhstan, and their transfer to the accounts of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan;

4) with crediting and spending money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities on supporting the small Motherland

for public institutions received by them in accordance with legislative acts of the Republic of Kazakhstan (charitable assistance account);

5) the crediting of money, transferred to the state institution in accordance with the legislative acts of the Republic of Kazakhstan by individuals and (or) legal entities under their repayment or transfer upon the occurrence of certain conditions to the appropriate budget or to third parties (the account for the temporary placement of funds);

6) the crediting of the budget funds and using them to carry out the specific expenses (the account of special-purpose financing);

7) with the crediting of money provided for the corresponding financial year in the law on the republican budget or in the decision of the maslikhat on the local budget, for the formation or increase in the authorized capital of subjects of the quasi-public sector and their use for the implementation of investment projects or related to the implementation of the state task (hereinafter - the account entities of the quasi-public sector), with the exception of cases of an increase in the authorized capital of financial organizations, as well as when forming in the minimum amount established laws of the Republic of Kazakhstan, authorized capitals of subjects of the quasi-public sector;

8) excluded by Law of the Republic of Kazakhstan No. 90-VI dated July 11, 2017 (see subparagraph 1) of paragraph 1 of Article 2 for the enactment procedure);

9) the crediting and spending of money of the governmental external loans or the tied grants, reconverted in the national currency from the special account of the external loan or tied grant, opened in the central authorized body for budget execution in accordance with the international treaties on state loans, ratified by the Republic of Kazakhstan, or the contracts on tied grants (hereinafter – the account of reconversion of external loan or tied grant);

10) with crediting and use of money, transferred to General contractors and subcontractors within Treasury support (hereinafter– accounts of public procurement).

11) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII ( effective from 01.01.2024);

12) with crediting of receipts of money sent to the victims compensation Fund (Fund account), and carrying out payment of compensation provided by the legislation of the Republic of Kazakhstan on the victims compensation Fund;

12-1) with crediting of the cash receipts for the Education Infrastructure Support Fund and spending them in accordance with the legislation of the Republic of Kazakhstan in education (account of the Education Infrastructure Support Fund);

12-2) with the crediting of the cash receipts of the Education Infrastructure Support Fund and spending them in accordance with the legislation of the Republic of Kazakhstan in education (the account of the local executive body for support of education infrastructure);

13) with the crediting of budget money and their use for financial and (or) non-financial support of state programs (hereinafter - the account of operators of financial and (or) non-financial support);

**Note!**

Subparagraph 13-1) shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

13-1) with the crediting of budget money and its use by the directorate for the implementation of a pilot national project in education for the implementation of a set of works, services within implementation of a pilot national project in education (account of the directorate for the implementation of a pilot national project in education);

14) with crediting and spending of non-state loans' money secured by a state guarantee, in accordance with loan agreements under the state guarantee of the Republic of Kazakhstan;

15) with the crediting and spending by borrowers of the money intended for servicing and repaying non-state loans secured by the state guarantee of the Republic of Kazakhstan, in accordance with agreements on the provision of state guarantees (service account in national currency);

16) with the transfer of the money sent to a Special state fund and their expenditure in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state (account of a Special state fund);

17) with the transfer of the money from a Special state fund and their expenditure in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state (a special account of the central and (or) local authorized bodies of the relevant sphere).

2. Transactions on receipts and payments made, and (or) money transfers from cash control accounts of the relevant budgets, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, a Special state fund, from the sale of goods (works, services) by state institutions are accounted for in accordance with the unified budget classification and codes of state institutions.

Transactions on receipts and payments made on cash control accounts of charitable aid, temporary placement of money, target financing, reconversion of external loans or related grants and foreign currency accounts shall be recorded in accordance with the codes of state institutions.

**Note!**

This version of the second part of paragraph 2 is valid from 01.01.2018 for cities of district significance, villages, towns, rural districts with a population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (current version until 01.01.2020 for cities of district significance, villages, towns, rural districts with a population of two thousand and for less than one person, see the archived version of the Budget Code of the Republic of Kazakhstan dated 11.07.2017 No. 95-IV dated 04.12.2008).

Transactions on receipts and payments made on cash control accounts of charitable assistance, temporary placement of money, targeted financing and accounts in foreign currency are accounted for in accordance with the codes of state institutions.

Transfer of money from one state institution code to the code of other state institutions is not allowed.

3. The cash control accounts are opened by the central authorized body for budget execution.

4. The procedure for opening, maintaining and closing cash control accounts shall be established by the central authorized body for budget execution.

**Footnote. Article 88, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.101-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.04.2016 № 487-V (shall be enforced upon expiry of six months after its first official publication); dated 11.07.2017 № 90-VI (see subparagraph1) p.1 of Art. 2 for the procedure of enforcement); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 № 122-VI ( shall be enforced from 01.01.2018); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 09.06.2020 No. 341-VI (shall be enforced from 01.07.2020); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (enactment procedure see art 2); dated 19.04.2023 No. 223-VII (effective from 01.01.2024); dated 12.07.2023 No. 23-VIII ( effective ten calendar days after the date of its first official publication).**

#### **Article 89. Accounts of the state institutions**

1. The state institutions may have the following accounts:

1) the foreign currency account, opened to the state institution by forms of currency by the central authorized body for the budget execution to carry out its operations in a foreign currency;

2) the special account of the budget investment project, opened in a foreign currency and agreed in an international treaty on the government loans, ratified by the Republic of Kazakhstan, or on tied grants in the second-tier bank, renewed through a revolving advances of the government foreign loan or tied grant;

2-1) a special external loan account of a local executive body of the city of republican scale with a special status, determined by a legislative act of the Republic of Kazakhstan, opened in the national currency with the central authorized budget execution body;

3) the account to the special account of the budget investment project, opened in second-tier bank, to make payments in the national (foreign) currency;

4) the renewable account of the budget investment project, opened in second-tier bank in the period of implementation of the budget investment project, for entering and using the money, which coming back by the borrowers for repayment of the principal on the loan, issued at the expense of the government external debt;

5) account in foreign currency, opened to the authorized state body, carrying out foreign policy activities, by types of currencies in the second-tier bank for crediting budget money and their use for reimbursement of expenses for business trips to foreign countries in the manner prescribed by the legislation of the Republic of Kazakhstan;

6) a foreign currency account opened for a state institution that provides financial support for the supreme representative body of the Republic of Kazakhstan, performing legislative functions, by type of currency in a second-tier bank for crediting of budget money and using it to reimburse expenses on business trips to foreign states in the manner, established by the legislation of the Republic of Kazakhstan.

2. Opening, maintenance and closing of accounts of public institutions in the Central authorized body for budget execution shall be carried out in the manner, prescribed by the Central authorized body for budget execution.

Opening, maintenance and closing of the accounts of the state institutions in the second-tier banks or organizations engaged in certain types of banking transactions, are carried out in the manner prescribed by the banking legislation of the Republic of Kazakhstan

**Footnote. Article 89, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 89-1. Accounts of borrowers who have attracted a state-guaranteed loan**

1. Borrowers who have attracted a state-guaranteed loan may have the following accounts :

1) an account of a state-guaranteed loan in foreign currency, opened with the central authorized budget execution body, by type of currency for crediting and expending by the

borrower of money from non-state loans secured by a state guarantee, in accordance with loan agreements under the state guarantee of the Republic of Kazakhstan;

2) a servicing account in foreign currency opened with the central authorized budget execution body, by types of currencies for the borrowers to carry out operations on servicing and repaying non-state loans secured by the state guarantee of the Republic of Kazakhstan, in accordance with agreements on state guarantee.

2. Opening, maintenance and closing of accounts of borrowers who have attracted a state-guaranteed loan, shall be carried out in the central authorized budget execution body in the manner determined by the central authorized budget execution body.

**Footnote. Chapter 17 shall be supplemented by Article 89-1 in accordance with the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Chapter 18. THE IMPLEMENTATION OF THE BUDGET**

### **Article 90. The implementation of the budget by revenues**

1. The implementation of the budget by revenues is to conduct a set of measures to ensure the full and timely transfer of revenue by the central and local authorized bodies for the budget execution in accordance with the legislation of the Republic of Kazakhstan.

2. The implementation of the budget by revenues shall include:

1) the crediting of revenues to the single treasury account;

2) distribution of revenues between the republican, local budgets, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and the budgets of the member states of the Eurasian Economic Union;

3) the return from the budget the overly (wrongly) paid amounts of revenues or their credit for repayment of debt.

**Footnote. Article 90 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced from 01.01.2022); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

### **Article 91. Transfer of receipts to a single treasury account**

1. Revenues to the budget shall be paid in cash and credited in full to a single treasury account in accordance with classification of revenues to the budget in manner, established by the central authorized body for budget execution.

2. Receipts to the budget in foreign currency, with the exception of receipts to special accounts of external loans or related grants and accounts to special accounts of external loans

or related grants, credited by the National Bank of the Republic of Kazakhstan to the accounts of central authorized body for execution of budget in foreign currency, should be reconverted and credited to a single treasury account.

The procedure for the reversion of foreign currency from the accounts of central authorized body for budget execution shall be determined by the central authorized body for budget execution in agreement with the National Bank of the Republic of Kazakhstan.

The procedure for conversion and crediting of foreign currency by state institutions, borrowers who have attracted a state-guaranteed loan, from accounts with the central authorized budget execution body shall be determined by the central authorized budget execution body.

**Footnote. Article 91 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

**Article 92. Distribution of revenues between the republican, local budgets, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and the budgets of the member states of the Eurasian Economic Union**

1. The distribution of revenues between the republican, local budgets, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and the budgets of the member states of the Eurasian Economic Union is carried out every working day by the central authorized body for budget execution in accordance with this Code.

2. The distribution of revenues is carried out on the basis of the table of distribution of budget revenues between budget levels approved by the central authorized body for budget planning, the cash control account of the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, a Special state fund and the budgets of the member states of the Eurasian Economic Union, standards for the distribution of income between the regional budget and its district (towns of regional significance) budgets, established by a decision of the regional maslikhat, as well as a list of organizations in the oil sector.

**Footnote. Article 92 - as amended by the Law of the Republic of Kazakhstan dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

**Article 93. Involvement of the guaranteed transfer of the National Fund of the Republic of Kazakhstan**

The central authorized body for the budget execution in the order determined by the Government of the Republic of Kazakhstan and agreed to the National Bank of Kazakhstan:

1) based on the forecast for revenues to the republican budget and the budget surpluses on the cash control account of the republican budget shall determine the required amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget in the framework of its amount for the current fiscal year, approved by the Law on the republican budget;

2) shall submit the application to the National Bank of the Republic of Kazakhstan on the transfer of the guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget.

In the event of incomplete use of the guaranteed transfer from the National Fund of the Republic of Kazakhstan as of the reporting financial year end, the guaranteed transfer amount from the National Fund of the Republic of Kazakhstan in the next financial year shall be reduced by the unused amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan in the reporting financial year, which is to be used as part of the guaranteed transfer of the next financial year.

**Footnote. Article 93 - as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

**Article 94. Refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund of excessively (mistakenly) paid amounts of income or their offset against debt repayment**

1. Refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and (or) offset of excessively (mistakenly) paid amounts of receipts according to the classification codes of receipts to the budget of the unified budget classification shall be carried out by the central authorized body for budget execution on the basis of payment orders from state revenue bodies.

A payment order for a refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and (or) offset of excessively (mistakenly) paid amounts of non-tax revenues to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund, except for revenues from the sale of fixed assets, transfers, and repayment amounts of budget loans administered by state revenue bodies, proceeds from the sale of financial assets of the state, loans, are drawn up on the basis of the conclusion of the authorized bodies responsible for their collection.

The authorized body responsible for collecting non-tax revenues to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education

infrastructure support Fund, the Special state fund, with the exception of receipts from the sale of fixed assets, transfers, repayment amounts of budget loans, administered by state revenue bodies, from the sale of financial assets of the state, loans, shall compile and submit to the state revenue agencies the conclusion on the refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and (or) an offset of excessively (mistakenly) paid amounts.

The reliability of these conclusions and the validity of their submission are ensured by the heads of authorized bodies.

2. The authorized body responsible for collecting revenues to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund, ensures the completeness and timeliness of receipts administered by it, and monitors their receipt, the return of excessively (mistakenly) paid amounts of receipts or their offset against repayment arrears to the budget.

3. The list of authorized bodies responsible for collecting revenues to the republican budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund, as well as for refunds from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and (or) an offset of excessively (mistakenly) paid amounts to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund of non-tax revenues, proceeds from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, loans, is determined by the central authorized body for budget execution.

The list of authorized bodies responsible for collecting revenues to the local budget, for returning from the budget and (or) offsetting excessively (mistakenly) paid amounts and monitoring the receipts to the budget of non-tax revenues, proceeds from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, loans, is determined by the relevant local executive body of the region, city of republican significance, the capital, the district (town of regional significance).

4. Payment orders are submitted in the form established by the banking legislation of the Republic of Kazakhstan.

Conclusions are submitted in the form established by the central authorized body for budget execution.

5. The refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the education infrastructure support Fund, the Special state fund and (or) the offset of excessively (mistakenly) paid amounts shall be carried out in accordance with the procedure established by the central authorized body for budget execution.

Footnote. Article 94 - as amended by the Law of the Republic of Kazakhstan dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).

#### **Article 94-1. Return of the part of the guaranteed transfer from the National Fund of the Republic of Kazakhstan**

1. The central authorized body for budget execution shall carry out during the year the return of the part of the attracted guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget in case, that the expected revenues exceeds planned ones.

2. Return from the republican budget of the part of the attracted guaranteed transfer from the National Fund of the Republic of Kazakhstan shall be carried out in the manner, determined by the central authorized body on budget execution.

Footnote. Chapter 18 is supplemented by Article 94-1 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 95. The implementation of the budget by expenditure**

1. The implementation of the budget by expenditure is to use by the actual administrators of budget programs and their dependent state institutions the budget designed to them, in accordance with the requirements of this Code, the provisions of the relevant regulatory legal acts and in order to achieve the desired performance indicators of the state bodies.

1-1. Excluded by Law of the Republic of Kazakhstan No. 90-VI dated July 11, 2017 (see subparagraph 1) of paragraph 1 of Article 2 for the enactment procedure);

2. The implementation of the budget by expenditure shall include the write-off of funds from a single treasury account as a result of payments and transfers of the state institutions in accordance with the registered the civil transactions and other obligations.

3. In the implementation of the budget the state institutions are obliged to use the budget funds in accordance with the unified budget classification, concluded the civil transactions, and the regulatory legal acts under which the budget funds are allocated.

Footnote. Article 95 as amended by the laws of the Republic of Kazakhstan dated 28.11.2014 № 257 (shall be enforced from 01.04.2015); 11.07.2017 № 90-VI (the procedure of enforcement see sub-paragraph 1) of p.1 of Art. 2).

#### **Article 96. The obligations of the state institutions**

1. The state bodies shall make obligations to the specificities of economic classification of expenditure as the conclusion of the civil transactions, and without them.

The state body shall ensure the validity of making obligations, the reliability of information and details indicated in the civil transactions.

2. The conclusion of civil transactions by the state institution for the purchase of goods (works, services), which are the subject of public procurement, is carried out in accordance with the legislation of the Republic of Kazakhstan on public procurement.

3. The state institution shall ensure the compliance with the legislation of the Republic of Kazakhstan on public procurement, the civil legislation of the Republic of Kazakhstan and shall be responsible for non-compliance.

4. Civil legal transactions of state institutions shall be concluded by state institutions for a period not exceeding the state procurement requirements, established by the legislation of the Republic of Kazakhstan, unless otherwise stipulated by legislative acts of the Republic of Kazakhstan.

Civil-legal transactions of state institutions in the framework of an international treaty on state loans, ratified by the Republic of Kazakhstan, or on a related grant shall be concluded by state institutions:

at the expense of a loan or related grant, for a period not exceeding the period of availability of loan funds or a related grant;

at the expense of co-financing from the republican budget - for a period until the end of financial year, in which the term of availability of loan proceeds expires.

5. The civil transactions of the state institutions shall be enforced after their mandatory registration in the territorial units of the central authorized body for budget execution.

The civil transactions, during their validity must be registered within the amounts, approved by the individual plan for funding the obligations for the relevant fiscal year, and the base expenses of the budget of the second and third fiscal years of the planning period, related to:

1) the budget development programs with the implementation period exceeding one year;  
2) the current budget programs that provide the acquisition of assets and other items, the duration of manufacturing process of which causes them to supply in the following (next) fiscal year (fiscal years);

3) the provision of services with a term of more than one financial year in the cases, established by the legislation of the Republic of Kazakhstan on public procurement, as well as an implementation of public tasks, provision of services, works with a term of more than one financial year in cases, established by the legislative acts of the Republic of Kazakhstan;

4) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

5) the implementation of measures at the expense of the reserve of the Government of the Republic of Kazakhstan, with a term of implementation more than one fiscal year.

The specified civil transactions shall be subject to re-registration in the case of changing the base expenses of the budget.

Registration of civil-legal transactions, related to construction or reconstruction of buildings, roads, major maintenance of premises, buildings, structures, roads and other objects shall be made with the mandatory existence of the positive conclusion of a

comprehensive departmental expertise of design and estimate documentation, except for the facilities, which cost of the design (design and estimate) documentation is included in the contract price.

The registration of contracts on public procurement, the term of which exceeds three years, shall be carried out in the manner, determined by the central authorized body for budget execution.

6. For registration of civil legal transactions of state institutions in foreign currency, the contract amount shall be in foreign currency, registration shall be made at the official exchange rate of the national currency of the Republic of Kazakhstan to foreign currencies as of the registration date, established in accordance with the legislation of the Republic of Kazakhstan.

7. The document confirming the registration of civil transaction shall be the notice on the registration of the contract.

8. Registration of civil-legal transactions after December 20<sup>th</sup> of the current financial year shall not be allowed, except for cases when budget funds are allocated from the reserve of the Government of the Republic of Kazakhstan or local executive body, as well as registration of contracts which validity term exceeds the current financial year and additional agreements to earlier registered ones in the territorial unit of the central authorized body for execution of the budget for civil-legal transactions.

9. The procedure for registering civil-legal transactions of state institutions shall be determined by the central authorized body for budget execution.

**Footnote. Article 96, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 18.02.2011 No. 408-IV (shall be enforced upon expiry of ten calendar days after its first publication); dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.12. 2019 No. 290-VI (shall be enforced from 01.01.2020); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 97. The making of payments and transfers of money in national currency**

1. The payments of the state institutions for the obligations are carried out on the basis of accounts payable.

Payments by the quasi-public sector subjects, for the fulfillment of the state task or for increase in the authorized capitals of which funds are provided for the corresponding financial year in the law on the republican budget or in the decision of the maslikhat on the local budget, borrowers who have attracted a state-guaranteed loan, operators of financial and (or) non-financial support shall be made on the basis of payment orders in the form established by the banking legislation of the Republic of Kazakhstan.

2. An account payable by a state institution and a payment order of a quasi-public sector entity, for the fulfillment of the state assignment or for an increase in the authorized capital of which funds are provided for the corresponding financial year in the law on the republican budget or in the decision of the maslikhat on the local budget, the borrower who attracted a state-guaranteed loan, operators of financial and (or) non-financial support are the documents constituting the ground for the territorial subdivision of the central authorized budget execution body to make payments and transfer money in favor of the money recipient.

3. The payments and money transfers of the state institutions are carried out within the balances on the cash control accounts or accounts of the state institutions, as well as within the amounts of the scheduled appointments in accordance with the individual plan of financing for payments and unused balance, the notice of registration of the contract.

The budget subsidies shall be transferred by the budget programs administrator to the final recipients of budget subsidies on the basis of documents confirming the validity of payment within the specified amounts for the current financial year, in accordance with the procedures determined by the budget programs administrators.

**Note!**

**Part 3 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

The transfer of funds by the administrator of the local budget program of the directorate for implementation of a pilot national project in education shall be based on applications filed by the directorate for the transfer of funds under concluded agreements in accordance with the financing plan within the amounts indicated in them for the current financial year.

The transfer of funds by the budget programs administrator to the quasi-public sector subjects, operators of financial and (or) non-financial support shall be carried out on the basis of documents confirming the validity of the payment in accordance with the financial and economic feasibility or feasibility study (design and estimate documentation), as well as another type of document, provided by the legislation of the Republic of Kazakhstan, within the amounts specified therein for the current financial year.

Payments and money transfers of the quasi-public sector subjects, for the fulfillment of the state task or for the increase in the authorized capital of which funds are provided for the corresponding financial year in the law on the republican budget or in the decision of the

maslikhat on the local budget, operators of financial and (or) non-financial support shall be carried out within the balances on accounts of the quasi-public sector subjects and accounts of operators of financial and (or) non-financial support.

Balances on the accounts of quasi-public sector entities allocated in the current year for the formation and (or) increase of the authorized capital, operators of financial and (or) non-financial support, that remain unused as of the reporting period end, shall relate to undisbursed funds of the quasi-public sector entities, operators of financial and (or) non-financial support and to inefficient budget programs execution.

Unused balances on cash reconciliation accounts, current accounts of subjects of quasi-public sector, formed on the basis of the results of implementation of budget investments through state participation in their authorized capital in the form of budget savings, can be used through:

the direction of unused balances in cash reconciliation accounts for the implementation of a new (new) and (or) current (current) project (s), with an adjustment of the current and (or) development of a new financial and economic justification for budget investments in the manner determined by the central authorized body for state planning in coordination with the central authorized body on budget planning;

use of savings for the development (modernization, acquisition of assets) by the decision of the management body (founder) of the quasi-public sector entity, if the amount of savings does not exceed 50,000 times the monthly calculated index, established by the Law on republican budget, without carrying out correction of financial and economic justification of the project.

Unused balances on cash control accounts, formed as a result of the implementation of budget investments through the participation of the state in their authorized capital in the form of budget savings, can be returned to the budget by decision of the relevant body of a subject of the quasi-public sector, adopted in accordance with the legislation of the Republic of Kazakhstan.

In the event that a quasi-public sector entity has not used the savings that are on cash control accounts following the results of previous budget investments, and (or) the savings have not been returned to the budget, planning budget investments through the participation of the state in the authorized capital of legal entities aimed at implementing new state investment projects, is carried out taking into account the amounts of savings on cash control accounts.

Funds from the payment of a penalty (fine, penalty fee), credited to the cash control accounts of subjects of the quasi-public sector, are subject to transfer to the income of the corresponding budget.

3-1. Payments and money transfers from public procurement accounts of general contractors for the implementation of investment projects related to the construction of

facilities under treasury support shall be carried out to public procurement accounts of subcontractors according to the list, approved by the general contractor.

3-2. Payments and money transfers of the borrowers who have attracted a state-guaranteed loan shall be carried out within the balances on the accounts of the state-guaranteed loan and service accounts.

4. The payments and transfers of money are not allowed without the registered civil transaction on the specifics of the economic classification of expenditure, for which the registration of the civil-Law is mandatory.

The list of specifics economic classification of expenditures, including the types of expenditure for which the registration of the civil transactions is mandatory, is determined by the central authorized body for budget execution.

5. The territorial division of the central authorized body for budget execution maintains the control when making payments, which is to verify the accounts payable for compliance to :

- the individual plan of financing for payments;
- the registered civil Law transactions;
- the unified budget classification;

the requirements of the budget legislation of the Republic of Kazakhstan in the completeness and correctness of form filling.

In carrying out payment, except the amount of the advance payment by the registered civil Law transaction, the territorial division of the central authorized body for budget execution checks the copy of the invoice or delivery note (act) for the supply of goods or the act of the work performed or services rendered, or other type of document, established by the legislation of the Republic of Kazakhstan.

For expenses related to construction or reconstruction of buildings, structures, roads, capital repairs of premises, buildings, structures, roads and other facilities where the cost of the design (design and estimate) documentation is included in the contract price, the territorial subdivision of the central authorized body on execution of the budget shall additionally check the availability of a positive conclusion of a comprehensive non-departmental project expertise (feasibility studies or design and estimate documentation) for construction when carrying out the payment, following the advance payment.

5-1. The territorial subdivision of the central authorized budget execution body shall exercise current control in payments of the quasi-public sector subjects, operators of financial and (or) non-financial support, which consists in checking payment orders for:

1) the availability of documents confirming the validity of payment: the copy of the invoice or delivery note (act) for the supply of goods or the act of the work performed or services rendered, or other type of document, established by the legislation of the Republic of Kazakhstan;

2) the availability of the certificate of the authorized body responsible for the regulation and supervision of the securities markets or the relevant decisions of the management in case of transfer of money to increase the authorized capital of the subject of quasi-public sector;

3) the compliance with the requirements of the banking legislation of the Republic of Kazakhstan in the completeness and correctness of form filling.

5-2. The territorial subdivision of the central authorized body for budget execution shall carry out current control when making payments from public procurement accounts within the framework of treasury support, which consists in verifying payment orders for:

1) availability of documents, confirming the reasonableness of payment: a payment certificate and an electronic invoice;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan on the completeness and correctness of filling the form.

5-3. The territorial subdivision of the central authorized body for budget execution carries out current control when making payments to the education infrastructure support Fund, the account of the local executive body for educational infrastructure support, the Special state fund, a special account of the central and (or) local authorized body of the relevant sphere, which includes checking invoices for payment of:

1) availability of documents confirming validity of the payment: a copy of the invoice or receipt (act) on supply of goods, or an act of work performed, services rendered, or another type of document established by the legislation of the Republic of Kazakhstan;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan for the completeness and correctness of filling out the form.

**Note!**

**Paragraph 5-4 is valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

5-4. The territorial subdivision of central authorized budget execution body shall exercise current control in making payments from the account of the directorate for the implementation of a pilot national project in education, which consists in checking payment orders for:

1) availability of documents confirming validity of the payment: an electronic invoice and a note of cost of the work performed;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan for the completeness and correctness of filling out the form.

6. The state institution shall provide:

legality and validity of presenting a bill for payment;

reliability of the specified details in the bill for payment;

timeliness and completeness of fulfillment of obligations on carrying out payments in favor of the recipients of money;

reliability of confirmation of delivery of goods, performed works and (or) rendered services in accordance with the concluded civil-legal transactions;

submission of the documents, specified in paragraph 5 of this Article, confirming the reasonableness of payment for a registered civil-legal transaction to the territorial unit of the central authorized body for execution of the budget documents.

6-1. A quasi-public sector entity, a general contractor and a subcontractor implementing an investment project related to the construction of facilities, borrowers who have attracted a state-guaranteed loan, and an operator of financial and (or) non-financial support shall ensure and bear responsibility in accordance with the laws of the Republic of Kazakhstan for:

- 1) the correctness and validity of the submission of payment orders;
- 2) the authenticity of the details of the payment orders;
- 3) the timeliness and completeness of the obligations to make payments in favor of the beneficiary;
- 4) the accuracy of the transactions;
- 5) the presentation of the documents confirming the validity of the payment to the territorial division of the central authorized body for the budget execution.

6-2. General contractors and subcontractors implementing investment projects related to construction of facilities within the framework of treasury support shall bear responsibility in accordance with the laws of the Republic of Kazakhstan for reliability and validity of supporting documents, specified in paragraph 5-2 of this Article.

6-3. When allocating funds from the education infrastructure support Fund, the Special state fund and using them, the akim of the region, the city of republican significance, the capital and the first head of the central and (or) local authorized body of the relevant industry responsible for using the funds of the education infrastructure support Fund, the Special state fund bear responsibility, established by the laws of the Republic of Kazakhstan.

**Note!**

**Paragraph 6-4) shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No.177-VII.**

6-4. Directorate for implementation of the pilot national project in education shall be accountable, as established by the laws of the Republic of Kazakhstan, for reliability and validity of the supporting documents specified in paragraph 5-4 of this article.

7. The amount of accounts receivable of the state institution of previous years shall be repaid through the delivery of goods (works, services), under the terms of a civil-Law transaction, or returned to the income of the corresponding budget.

8. The methods for making payments and (or) money transfers shall be determined by the legislation of the Republic of Kazakhstan on payments and payment systems, budget legislation of the Republic of Kazakhstan or international treaties ratified by the Republic of Kazakhstan.

9. The procedure for making payments and money transfers shall be determined by the central authorized body for budget execution in agreement with the central authorized body for state planning.

Footnote. Article 97, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 No. 269-V (shall be enforced from 01.01.2015); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.07.2016 No. 12-VI (shall be enforced upon expiry of after thirty calendar days after its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).

#### **Article 98. Collection order**

1. A collection order is a document that is the basis for compulsory execution by a state institution, as well as a subject of the quasi-public sector, for the fulfillment of a state task or for the increase (formation) of the authorized capital of which funds are provided for the corresponding financial year in the law on the republican budget or the decision of the maslikhat on local budget, an executive document, as well as a document related to the repayment of the resulting tax debt, debt on mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions to compulsory social health insurance or social contributions, debts formed in cases provided for by the customs legislation of the Republic of Kazakhstan. A collection order is a document confirming the validity of a payment by a state institution and a subject of the quasi-public sector, for the fulfillment of a state task or for the increase (formation) of the authorized capital of which funds are provided for the corresponding financial year in the law on the republican budget or the decision of the maslikhat on the local budget.

A collection order is drawn up on the basis of an executive document and on other grounds provided for by the laws of the Republic of Kazakhstan, with the exception of collection orders of the state revenue bodies of the Republic of Kazakhstan.

2. The collection order shall be presented to the territorial subdivision of the central authorized body for budget execution at the place of servicing of the state institution and the subject of the quasi-public sector for the fulfillment of the state task or for the increase (

formation) of the authorized capitals of which funds are provided for the relevant fiscal year in the Law on the republican budget or in the decision of the Maslikhat on local budget, for which the collection order is issued.

The collection order is presented with a copy of the enforcement document, certified by the seal of a private enforcement agent or a territorial body of the authorized body in the field of enforcement of enforcement documents, with the exception of collection orders of the state revenue bodies of the Republic of Kazakhstan.

The amount indicated in the collection order must match the amount indicated in the executive document, except for the cases provided for in paragraph 5 of Article 35 of the Law of the Republic of Kazakhstan “On Payments and Payment Systems”.

In the collection order the codes of the state institution and the subject of the quasi-public sector shall be indicated, for the performance of the state task or for the increase (formation) of the authorized capitals of which funds are provided for the relevant financial year in the Law on the republican budget or in the decision of the Maslikhat on local budget, for which the execution of this order is required.

**Note!**

**Amendments to part 1 of paragraph 3 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.**

3. It is not allowed to issue collection orders to a single treasury account and accounts in foreign currency opened to the central authorized body for budget execution, to special accounts of external loans or related grants, the education infrastructure support Fund, accounts for special accounts of external loans or related grants, the education infrastructure support Fund, cash control accounts of the relevant budgets, the National Fund Of the Republic of Kazakhstan, temporary placement of money, reconversion of external loans or related grants, the victims compensation Fund, the education infrastructure support Fund, the Special state fund, at the expense of the directorate for implementation of a pilot national project in the field of education.

In the event of an obligation to exercise the collection order for the investment project, this collection order is exposed on the account of the entity of quasi-public sector, by which the financing of the investment project is made.

**This edition of part 3 of paragraph 3 is effective from 01.01.2018 for the cities of district significance, villages, townships, rural districts with population of more than two thousand people in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (the current edition before 01.01.2020 for the cities of district significance, villages, townships, rural districts with population of two thousand or less people, see the archival version dated 11. 07. 2017 of the Budget Code of the Republic of Kazakhstan dated 04.12.2008 № 95-IV).**

The submission of collection orders can be carried out on the code of the state institution, the accounts of paid services, charitable assistance, as well as on the accounts of the subjects

of quasi-public sector, for the fulfillment of the state task or for the increase (formation) of the authorized capitals of which funds are provided for the relevant financial year in the Law on the republican budget or in the decision of the Maslikhat on local budget.

4. The collection order is presented in the form prescribed by the banking legislation of the Republic of Kazakhstan.

5. The execution of collection orders shall be carried out in accordance with the procedure, established by the central authorized body for budget execution.

**Footnote. Article 98 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No.101-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 406-V (shall be enforced from 01.07.2017); dated 11.07.2017 № 90-VI (the procedure for enforcement see subparagraph 1) of paragraph 1 of Art. 2); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 26.06.2020 No. 349-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).**

#### **Article 99. The making of payments and transfers of money in foreign currency by types of currency**

1. Payments and money transfers in foreign currency by types of currencies by state institutions, borrowers who have attracted a state-guaranteed loan, shall be made in favor of non-residents of the Republic of Kazakhstan through foreign currency conversion and transfer operations.

Conversion of foreign currency by types of currencies shall be made at the official rate of the national currency of the Republic of Kazakhstan to foreign currencies in the manner determined by the legislation of the Republic of Kazakhstan as of the conversion date.

2. The converted foreign currency within ten calendar days from the date of its enrollment to an account in a foreign currency by the types of currency shall be used for its intended purpose by the state institution.

The unused or underused foreign currency must be reconverted after a specified period, with the following reduction in the amount of national currency to the budget classification

code of expenditure of the state institution, from which the conversion of foreign currency is made.

2-1. Money in national currency, reconverted from the special account of the external loan or tied grant, opened in the central authorized body for budget execution, at the expense of reconversion of external loan or tied grant must be used by the state institution as intended within five working days.

Money in foreign currency, reconverted from the special account of external loan or tied grant, opened in the central authorized body for budget execution, to the account to the special account of external loan or tied grant must be used by the state institution as intended within five working days.

Unused or underused money in national or foreign currency must be converted at the end of this period, followed by reduction of the amount in foreign currency to the special account of external loan or tied grant, where money was reconverted to national or foreign currency.

3. A state institution, a borrower who has attracted a state-guaranteed loan, shall ensure accuracy of the details in the conversion, reconversion operations and validity of payments and money transfers in foreign currency.

3-1. Foreign currency, which is converted from the account of the entity of quasi-public sector, within ten calendar days from the date of its enrollment to its account in a foreign currency in the second-tier bank by types of currency, shall be used for its intended purpose.

The unused or underused foreign currency must be reconverted after a specified period with the following reduction of the amount in the national currency to the account of the entity of quasi-public sector, from which the conversion of foreign currency is made.

3-2. The entities of the quasi-public sector, to increase (forming) in the authorized capital of which the funds for the corresponding financial year are provided in the Law on the republican budget, or in the decision of maslikhat on the local budget, shall provide the timely re-conversion and the return of unused or underused foreign currency to the account from which the conversion of foreign currency is made.

4. The procedure for making payments and money transfers in foreign currency shall be determined by the central authorized body for budget execution.

**Footnote. Article 99, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

**Article 100. The suspension of the registration of civil transactions and making payments and transfers of money**

1. The territorial subdivision of the central authorized body for budget execution shall suspend the receipt of documents of state institutions for the registration of civil-legal

transactions and conduct of payments and money transfers in the manner and terms, determined by the central authorized body for budget execution in the following cases:

- 1) the changes in the individual financing plans for liabilities and charges;
- 2) on issuing the collection orders;
- 3) if the state institution did not carry out the procedure for re-conversion of the balance of unused or under used for the intended purpose converted foreign currency, on the next working day from the date of expiry of use of the converted foreign currency;
- 4) if the local executive body did not return the budget credit to a higher budget, allocating them, in the time, specified by the terms of the loan agreement;
- 5) sequestration.

2. The suspension of operations for the registration of civil transactions and making payments of the state institutions, is carried out in the case provided by:

1) subparagraph 1) of paragraph 1 of this Article - to complete the procedures for changes to the individual financial plans for liabilities and charges on the codes of budget classification of expenditure, for which the changes are made;

2) by subparagraph 2) of paragraph 1 of this Article - before execution of collection orders by codes of budget classification of expenses for which these orders are issued, except for the types of expenses for which payment of wages and other monetary payments are carried out, payment of monetary compensation provided by legislative acts of the Republic of Kazakhstan, allowances, alimony, transfer of tax and social deductions, deductions and (or) contributions to compulsory social health insurance, compulsory pensions dues, compulsory professional pension contributions, payment for banking services;

3) subparagraph 3) of paragraph 1 of this Article - to complete the procedure for re-conversion of the balance of unused or under used for the intended purpose the converted foreign currency;

4) by subparagraph 4) of paragraph 1 of this Article - before the submission of a due bill for the repayment of the amount of debt on a budgetary loan to the higher budget, that allocated them by the relevant administrator of local budget programs . Suspension of transactions for the registration of civil-legal transactions and payments shall be carried out under a budget program, ensuring the activities of the apparatus of the relevant administrator of local budget programs, except for the types of expenses for which payment of wages and other cash payments is carried out, payment of monetary compensation provided by legislative acts of the Republic of Kazakhstan, allowances, alimony, transfer of tax and social deductions, deductions and (or) contributions to compulsory social health insurance, compulsory pension contributions, compulsory professional pension contributions, payment for banking services;

5) by subparagraph 5) of paragraph 1 of this Article - from the next working day from the date of proposal of the relevant budget commission to reduce the budget on budget programs (subprograms) for which a sequestration is planned, pending completion of the procedure for

changing individual financing plans for liabilities and payments by codes of budget classification of expenses, for which changes are made.

Footnote. Article 100, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 406-V (shall be enforced from 01.07.2017).

#### **Article 100-1. Suspension of payments and money transfers of quasi-public sector entities**

In cases of issuing a collection order, the territorial unit of the central authorized body for budget execution shall suspend the acceptance of documents and the payment and transfer of money of the quasi-public sector entities in the manner and terms, determined by the central authorized body for budget execution.

Footnote. Chapter 18 is supplemented by Article 100-1 in accordance with the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication); is in the wording from 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 101. Management of budget funds**

1. Management of the budget funds is a set of measures to ensure the timeliness of payments in accordance with the terms of revenues to the budget.

2. Management of the budget funds is carried out by the authorized body for budget execution.

3. The authorized body for budget execution shall take the necessary measures to ensure by the cash payments to the extent, provided in the summary plan of revenues and financing payments.

4. In order to ensure the timeliness and completeness of the payments, the authorized body for budget execution:

makes forecast of cash flow, which is the process to determine the expected volumes of revenues and expenses for the planned implementation period, the surplus (or deficit) of cash and the sources of its coverage;

monitors the movement of money in the cash controlling account of the relevant budget.

5. The cash surplus is the excess of the amount of the expected or actual revenues to the republican and local budgets and the budget surpluses over the volume of expected payments or payments made since the beginning of the current fiscal year.

The cash deficit is the excess of the amounts of the expected payments or payments made over the volume of the expected or actual revenues to the republican and local budgets and the budget surpluses since the beginning of the current fiscal year.

6. The cover of the cash deficit in the case of the forecast of cash deficit in the cash controlling account of the relevant budget shall be made at the expense of borrowing or by making changes to the summary plan of revenues and financing payments.

7. In the case of the forecast of cash surplus in the cash controlling account of the relevant budget, the authorized body for budget execution shall determine the amount of temporarily free budget funds.

The temporarily free budget funds are the money, which is held in the single treasury account, and not used for a certain time period of the current fiscal year.

For the purpose of rational use of temporarily free budget money and receipt of income in the respective budget, temporarily free budget money of the republican and regional budgets, budgets of the cities of republican significance, the capital city shall be placed into depositions (deposits) at the National Bank of the Republic of Kazakhstan.

The placement of budget money in bank accounts is not permitted, except as provided in this Article of the Code.

8. The placement of temporarily free budget funds of the republican and local budgets shall be made by the central authorized body for budget execution.

9. The order of placement of temporarily free budget money shall be determined by the central authorized body for budget execution in coordination with the National Bank of the Republic of Kazakhstan.

**Footnote. Article 101 as amended by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **Article 102. Execution of the money from the sale by the state institutions of goods (works, services), remaining at their disposal**

1. To perform the operations at the expense of the money from the sale by the state institution of goods (works, services) remaining at its disposal, the state institution shall make the plan of income and expenditure of money from the sale of goods (works, services) by their types on the basis of the nomenclature of the list of goods (works, services) of the state institutions, financed by the republican or local budget, the money from the sale of which remains at their disposal, approved by the central authorized body for budget execution.

2. The plan of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining in its possession, is approved by the administrator of the budget programs.

3. The administrator of the budget programs on the basis of the plans of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining at its disposal, presented by the state institutions, shall make a consolidated plan of income and expenditure of money from the sale of goods (works, services), by the state institutions, remaining in their disposal.

The consolidated plan of income and expenditure of money from the sale of goods (works, services), by the state institutions, remaining at their disposal, is approved by the administrator of the budget programs and agreed with the authorized body for budget execution.

4. The approved plan of income and expenditure of money from the sale of goods (works, services) by the state institution, remaining in its possession, shall be presented to the authorized body for budget execution by the state institution.

The action of the approved plan of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining in its possession shall cease on December 31 of the current fiscal year.

5. The revenues, received during the fiscal year in excess of the amounts provided by the plan of income and expenditure of money from the sale of goods (works, services) by the state institution, remaining at its disposal, can be spent in the current financial year, providing the clarification of the plan of income and expenditure of money from the sale of goods (works, services) to the end of the current fiscal year.

6. Purchases of goods (works, services) at the expense of the money from the sale of goods (works, services) by the state institutions, remaining at their disposal, shall be in accordance with the legislation of the Republic of Kazakhstan on public procurement.

7. The registration of civil transactions at the expense of money from the sale of goods (works, services) by the state institution, remaining at its disposal, is carried out in accordance with Article 96 of this Code.

8. The payments at the expense of money from the sale of goods (works, services) by the state institution, remaining at its disposal, are carried out within the actual availability of funds in the account of the state institution, which is open to the accounting of money from the sale of goods (works, services).

9. The procedure for the use of money from the sale of goods (works, services) by public institutions remaining, at their disposal, shall be determined by the central state body of the relevant branch (sphere) in consultation with the central authorized body for execution of the budget.

**Footnote. Article 102, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Article 102-1. Execution for money directed for the implementation by akims of a city of district status, a village, a rural settlement, a rural district of the functions of local self-government**

**Footnote. Chapter 18 is supplemented by Article 102-1 in accordance with the Law of the Republic of Kazakhstan dated 13.06.2013 No. 101-V (shall be enforced ten calendar days after its first official publication); excluded by the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced from 01.04.2020).**

### **Article 103. The completion of the financial year**

1. All operations of the current financial year, related to the crediting of revenues and making payments from the budget, will end on 31 December of the current financial year.

2. The revenues credited to the budget after December 31 of the current financial year, are considered as revenues of the new financial year.

3. Not used until the end of December 31 of the current fiscal year, including the remains of scheduled appointments, are canceled.

4. The transfer of budget funds for the budget programs, formed on December 31 of the current financial year to the letters of credit and other extra budget accounts, is not allowed.

### **Article 104. Budgetary surpluses**

1. The balance of the budget funds at the end of the period shall be the funds, remaining unused at the end of the reporting period in the cash reconciliation accounts of the respective budgets.

2. The budget surpluses at the beginning of the year are the funds, remaining not used by the results of the budget execution for the reporting financial year, as of January 1 of the next financial year.

3. The budget surpluses of local budgets are not subject to withdrawal (transfer) to a higher budget.

3-1. The remaining funds of the victims compensation Fund, the education infrastructure support Fund, the Special state fund are not subject to withdrawal (transfer) to the state budget.

4. The budget surpluses at the beginning of the year can be used by adjusting the budget to:

1) servicing and repayment of principal on the received loans;

2) excluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV ( shall be enforced from 01.01.2010);

3) excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV ( shall be enforced upon expiry of ten calendar days after its first publication);

4) financing the unpaid part of the recorded obligations of the last financial year for the budget development programs with a term of more than one year of implementation and the current budget programs that provide the acquisition of assets, and other products with a manufacturing and supply term more than one financial year, the provision of services with a term for more than one financial year;

4-1) further financing of budget investments, on which the completion date corresponds to the period of budget investments implementation in accordance with the approved documentation specified in paragraphs 1, 1-1 and 2, Article 157 and in paragraph 1-1 of Article 159 of this Code;

4-2) further use of undrawn (underused) budget funds of budget programs (subprograms) financed from the reserve for the initiatives of the President of the Republic of Kazakhstan;

4-3) further financing of budget programs (subprograms) for which obligations were not assumed in the past financial year, without changing their intended purpose at the proposal of the respective budget commission and on the basis of budget monitoring.

The corresponding proposal of the budget commission shall be developed before December 1 of the year preceding the year of budget adjustment;

5) return of unused (underutilized) amounts of targeted transfers in the past financial year, allocated from the republican, regional or district (city of regional significance) budgets;

6) return of the amount, exceeding the established amount over the annual one of the consolidated financing plan for payments at the end of the corresponding financial year following the results of the expired financial year by local executive bodies in case of financing separate areas of expenditures from the local budget below the minimum amounts, established by the Law (decision of the regional Maslikhat) on amounts of transfers of a general nature, taking into account the changes introduced in accordance with part one of paragraph 4-2 of Article 45 of this Code;

7) return to the National Fund of the Republic of Kazakhstan of a part of unused funds from the National Fund of the Republic of Kazakhstan to the republican budget in form of a targeted transfer;

8) return to the National Fund of the Republic of Kazakhstan of a part of the guaranteed transfer to the republican budget.

5. The budget surpluses at the beginning of the year, remaining after the distribution for the purposes specified in paragraph 4 of this Article, shall be free budget surpluses, and can be used to finance the expenses of the current year by clarification of the budget.

6. The first head of the administrator of budget programs shall bear responsibility for the failure to absorb budget funds, which entailed failure to achieve the results of the budget program, established by the laws of the Republic of Kazakhstan.

6-1. The first head of the administrator of budget programs shall bear responsibility in accordance with the laws of the Republic of Kazakhstan for failing to achieve direct and final results of budget programs with full absorption of budget funds.

**Footnote. Article 104 as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.01.2018 No. 132-VI (shall be enforced from 01.07.2018); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official**

publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).

#### **Article 104-1. Responsibility for ineffective planning and (or) ineffective use of budget funds**

It entails the responsibility established by the laws of the Republic of Kazakhstan for ineffective planning and (or) ineffective use of budgetary funds, expressed in:

exceeding the approved natural standards;

the absence of documents provided for by the budgetary legislation of the Republic of Kazakhstan (feasibility study, financial and economic justification, design and estimate documentation) and (or) decisions (conclusions) on them by the relevant bodies and (or) organizations;

spending budget funds for the maintenance of facilities that are not on the balance sheet of the relevant administrator of budget programs, unless otherwise provided by the legislation of the Republic of Kazakhstan;

spending budget funds for the maintenance of facilities that have not been put into operation in the manner prescribed by the legislation of the Republic of Kazakhstan, unless otherwise provided by the legislation of the Republic of Kazakhstan;

lack of economic effect from the implementation of budget investments, determined in accordance with the legislation of the Republic of Kazakhstan.

**Footnote.** Chapter 18 was supplemented by Article 104-1 in accordance with Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

#### **Article 105. The responsibility of quasi-public sector entities**

The responsibility for the failure to reach the results of budget investments through the state participation in their authorized capital, provided in the financial and economic feasibility, established by the Laws of the Republic of Kazakhstan, shall bear the first leaders of quasi-public sector entities, to increase (forming) the authorized capital of which the funds for the financial year are provided in the Law on republican budget or in the decision of maslikhat on the local budget.

**Footnote.** Article 105 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 105-1. State audit and financial control**

1. In order to improve the efficiency of the management and use of budget funds, state assets and subjects of the quasi-public sector, related grants, state and state-guaranteed loans, as well as loans attracted under the state guarantee, including another one, related to budget execution, prevention, suppression, revealing of infringements and lacks at execution of the budget state audit and the financial control shall be carried out.

2. State audit and financial control shall be conducted by the state audit and financial control authorities in accordance with the Law of the Republic of Kazakhstan "On State Audit and Financial Control".

It is not allowed to involve state auditors and other officials of the authorized bodies of external state audit and financial control at the request of state bodies for inspections not provided for in the lists of objects of state audit for the relevant year.

3. State audit and financial control over the provision and implementation of state support measures for innovation activities on co-financing of venture funds shall be carried out on the basis of profitability (loss) of assets (of the entire portfolio) of such venture funds in the long term, taking into account the high business risk in terms of market prospects uncertainty for innovation activity and losses of invested financial and other resources.

**Footnote. Chapter 18 is supplemented by Article 105-1 in accordance with the Law of the Republic of Kazakhstan dated 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 04.07.2018 No. 174-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.12. 2021 No. 87-VII (shall be enforced ten calendar days after the date of its first official publication).**

## **Chapter 19. CLARIFICATION OF THE BUDGET**

### **Article 106. Clarification of the budget**

1. The clarification of the republican and local budgets is a change in performance indicators of the republican and local budgets within the corresponding financial year through the introduction of amendments and supplements to the Law on the republican budget or the decision of maslikhat on the local budget.

2. The clarification of the republican and local budgets shall be in the following cases:

1) the need to eliminate the situations that threaten the political, economic, ecological and social stability of the Republic of Kazakhstan;

1-1) the need to fulfill the instructions of the President of the Republic of Kazakhstan;

2) the adoption or amendment of the legislative acts of the Republic of Kazakhstan, providing the reduction in revenues or the increase in expenditures of the republican and local budgets;

3) reducing or increasing the revenues of the republican and local budgets during its execution for more than ten percent of their annual approved amount in the current financial year;

**4) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V ( shall be enforced upon expiry of ten calendar days after its first official publication);**

5) provided in paragraph 4 of Article 10, paragraph 5 of Article 20 and paragraph 5 of Article 104 of this Code;

6) excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

2-1. The clarification of the republican budget shall also be carried out with allocation of additional and (or) changes in the amounts of allocated targeted transfers and budget credits.

2-2. excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

3. Excluded by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI ( shall be enforced ten calendar days after the day of its first official publication).

4. The clarification of the local budget on the request of the local executive body is allowed no more than once per quarter during the current financial year.

Clarification of the budgets of a city of district significance, a village, a township, a rural district on the initiative of the Akims and local government bodies of the relevant administrative-territorial unit shall be allowed no more than once a quarter during the current financial year.

Clarification of the local budget on the initiative of deputies of the Maslikhat shall be allowed no more than once a quarter during the current financial year, except for cases provided by subparagraph 1) of paragraph 2 of this Article.

5. On the basis of proposals of the respective budget commission on the amendments and supplements to the Law on the republican budget or the decision of maslikhat on the local budget, the authorized body for budget execution may suspend the operation of the budget programs, on which the decision to reduce the budget funds is adopted.

Footnote. Article 106, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( the order of enforcement see Art. 2); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.04.2016 № 487-IV ( shall be enforced from the date of signing); 11.07.2017 № 90-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-V ( shall be enforced upon expiry of ten calendar days after its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 107. Clarification of the republican budget**

1. The clarification of the republican budget is based on the proposals of the Government of the Republic of Kazakhstan and (or) the deputies of the Parliament of the Republic of Kazakhstan in accordance with the legislative acts of the Republic of Kazakhstan.

1-1. The clarification of the republican budget shall be carried out once during the current financial year.

The repeated clarification of the republican budget during the current financial year shall be allowed in the following cases:

1) reducing or increasing the revenues of the republican budget by more than ten percent of their annual approved amount in the current financial year;

2) the expected failure to absorb the expenditures of the republican budget for more than ten percent of their annual approved amount in the current financial year.

1-2. The provisions, specified in paragraph 1-1 of this Article shall not apply to clarifications of the republican budget in cases provided by paragraph 4 of Article 10, paragraph 5 of Article 20, subparagraph 1) of paragraph 2 of Article 106 of this Code, as well as the need to implement instructions of the President of the Republic of Kazakhstan.

2. The proposals to clarify the republican budget are considered by the Republican Budget Commission.

3. The requirements, established by this Code in the development and approval of the republican budget are complied with when clarifying the republican budget.

4. Taking into account the proposal of the Republican Budget Commission on clarification of the republican budget for the current financial year, the respective administrators of the republican budget programs shall submit, within five working days:

the projects of amendments and additions to strategic plans, draft budget programs of administrators of the republican budget programs, developing strategic plans for which changes are provided to the central authorized body for state planning;

the projects of amendments and additions to strategic plans, draft budget programs and budget request for budget programs, for which changes are provided to the central authorized body for budget planning.

4-1. The central authorized body for state planning within five working days after the presentation of projects of amendments and additions to strategic plans, draft budget programs of the administrators of republican budget programs, developing strategic plans by the administrators of republican budget programs, shall consider them, prepare conclusions and send them to the central authorized body for budget planning.

The central authorized body for budget planning shall consider draft strategic plans or projects of amendments and additions to strategic plans, draft budget programs and budget requests within five working days, prepare conclusions on them and submit them to the Republican Budget Commission for consideration.

**5. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V ( shall be enforced upon expiry of ten calendar days after its first official publication).**

6. Taking into account the proposal of the Republican Budget Commission, the central authorized body for budget planning within five working days shall draw up a draft of the clarified republican budget and submit it for consideration of the Republican Budget Commission.

7. The central authorized body for budget planning, on the basis of the proposal of the Republican Budget Commission for the draft of the clarified republican budget, within 10 working days, shall draw up the draft of Law on introducing amendments and additions to the Law on republican budget and submit it to the Government of the Republic of Kazakhstan for consideration.

**Footnote. Article 107, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Article 108. Clarification of the regional budget, the city of republican importance, capital**

1. The clarification of the regional budget, the budgets of the city of republican significance and the capital during its execution shall be on the basis of proposals of the relevant local executive body and (or) the deputies of maslikhat in accordance with this Code.

2. The proposals for the clarification of the regional budget, the budgets of the city of republican significance and the capital are considered by the respective budget commission.

3. The requirements, established by this Code in the development and approval of the regional budget, the budgets of the city of republican significance and the capital are complied with, when clarification of the regional budget, the budgets of the city of republican significance and the capital.

4. In case, when clarification of regional budgets, budgets of the cities of republican significance, the capital city is made in connection with clarification of the republican budget, the corresponding decision of the maslikhat shall be made not later than two weeks after signing the decree of the Government of the Republic of Kazakhstan on amendments and additions to the decree of the Government of the Republic of Kazakhstan on implementation of the law on the republican budget.

**Footnote. Article 108, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Article 109. Clarification of the district (the city of regional significance) budget**

1. Clarification of the district (the city of regional significance) budget in the course of its execution shall be carried out on the basis of proposals of the relevant local executive body and (or) deputies of the Maslikhat in accordance with this Code.

2. Proposals for clarifying the district (the city of regional significance) budget shall be considered by the relevant budget commission.

3. The requirements, established by this Code in developing and approving the district (the city of regional significance) budget are complied, when clarifying the budget of the district (the city of regional significance).

4. The clarification of the district (the city of republican significance) budget, allocated according to the budget legislation of the Republic of Kazakhstan between the regional budget and the district (the cities of regional significance) shall be made in agreement with the local authorized body of the region for state planning.

5. In case, when the clarification of the district (the city of regional importance) budget is made in connection with the clarification of the regional budget, the respective decision of the Maslikhat shall be taken no later than two weeks after the adoption of the resolution of the local executive body of the region on amendments and additions to the resolution of the local executive body on the implementation of the decision of the Maslikhat on regional budget.

**Footnote. Article 109 is in the wording of the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Article 109-1. Clarification of the budgets of the city of district significance, a village, a township, a rural district**

1. The clarification of the budgets of the city of district significance, a village, a township, a rural district shall be carried out in the course of its implementation on the basis of proposals of the relevant Akims and local self-government bodies, the executive body of the district and (or) deputies of the Maslikhat of the district (the city of regional significance) in accordance with this Code.

2. Proposals for clarifying the budgets of the city of district significance, a village, a township, a rural district shall be considered by the Akims' apparatus of the relevant administrative-territorial units, the budgetary commission of the relevant district (the city of regional significance).

3. When clarifying the budgets of the city of district significance, a village, a township, a rural district, the requirements, established by this Code in developing and approving the budgets of the city of district significance, a village, a township, a rural district are complied.

4. In case, when the budget of the city of district significance, a village, a township, a rural district is clarified in connection with the clarification of the district (the city of regional significance) budget, the respective decision of the Maslikhat of the district (the city of regional significance) shall be taken no later than two weeks after the resolution of the local executive body of the district (the city of regional importance) on introducing amendments and additions to the resolution of the local executive body on implementation of the decision of the Maslikhat on the district (the city of regional significance) budget.

**Footnote. Chapter 19 is supplemented by Article 109-1 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Chapter 20. SEQUESTRATION AND ADJUSTMENT OF THE BUDGET**

### **Article 110. Sequestration**

1. The sequestration is a special mechanism, involving the reduction of budget expenditures within a certain range, which is introduced in cases, when the approved funds are not completely arrived to the republican and local budgets in the execution of the republican and local budgets, and make it impossible to finance the full cost of the approved programs.

2. The sequester of budget expenditures for the amount of less than ten percent of their annual approved amount, except for the expenditures of budget programs (subprograms) that are not subject to sequestration, may be carried out by the decision of the Government of the Republic of Kazakhstan or local executive body (the Akim of the city of district significance, a village, a township, a rural district), for more than ten percent - on the basis of the Law or the decision of the maslikhat.

3. On the basis of the resolution of the Government of the Republic of Kazakhstan or local executive body on carrying out a sequestration, the authorized body for budget execution, in accordance with the manner, established by this Code, shall adjust the relevant budget by changing the revenues and expenditures of the budget.

Based on the decision of the Akim of the city of district significance, a village, a township, a rural district on sequestration, the apparatus of the Akim of the relevant administrative-territorial unit in accordance with the manner, established by this Code shall adjust the relevant budget by changing the revenues and expenditures of the budget.

4. When budget programs (subprograms) are reduced, their priority and social orientation shall be taken into account.

5. With the adoption of the decision by the relevant budget commission on sequestration, the authorized body for budget execution shall suspend the registration of civil transactions and payments of budget programs (subprograms) for which a sequestration is planned.

5-1. During the sequestration, administrators of budget programs shall prepare budget applications for the current financial year and submit them to the central authorized body for budget planning or the relevant local authorized body for state planning.

6. The regulation of relations that occurred during the sequestration, under the civil transactions concluded at the expense of budget funds, shall be in accordance with the civil legislation of the Republic of Kazakhstan.

7. Expenditures of budget funds, aimed at fulfillment of state obligations for public-private partnership projects, including state concession obligations, are not subject to sequestration in the process of budget execution.

Budget funds for the adopted obligations of state institutions under the registered civil-legal transactions are not subject to sequestration in the process of budget execution after December 20<sup>th</sup> of the current financial year.

Expenditures of budget funds under the state order for providing students, postgraduates and doctoral students with places in hostels shall not be subject to sequestration in the process of budget execution.

Footnote. Article 110, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 395-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 04.07.2018 № 171-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

### **Article 111. Adjustment of the budget**

1. Budget adjustment is the change in the indicators of the approved (clarified) budget on the basis of resolutions of the Government of the Republic of Kazakhstan and local executive bodies, decisions of the Akims of cities of district significance, villages, townships, rural districts and other normative legal acts of the Republic of Kazakhstan through amendments and additions to the consolidated plan of revenues and financing on payments, the consolidated plan of financing under obligations for the next financial year in the order, determined by the central authorized body for budget planning.

In the event that, after the produced adjustment the clarification of the budget shall be, the adjusted budget indicators shall be reflected in the clarified budget, with the exception of the distributable budget programs.

2. The adjustment of the republican budget shall be in the following cases:

1) education, liquidation, reorganization, changes in the functions and limits of the staff number of the central state bodies and their subordinate state institutions. In this case, the adjustment of the budget is the merger, division, reduction (increase), transfer of the respective budget programs, associated with these cases within the total amount of these budget programs, approved (clarified) by the Law on the republican budget;

2) distribution of funds of the budget programs between the various administrators of budget programs, approved as part of the budget programs of the certain administrator of the budget programs;

2-2) the insufficiency of funds, provided for one of the reserve types to increase the planned assignments of the respective reserve by redistributing the total amount of the reserves of the Government of the Republic of Kazakhstan;

3) provided in paragraph 3 of Article 24 of this Code;

3-1) redistribution of funds in the amount of not more than five percent of the budget program expenditures for the current financial year between the budget development programs of one administrator of the republican budget programs without changing the

structure of budget expenditures, without consideration at the Republican Budget Commission, from five to ten percent of the amount of expenditures of the budget program for the current financial year between the budget development programs of one administrator of the republican budget programs without changing the structure of the budget expenditures with compulsory consideration at the Republican Budget Commission;

3-2) redistribution of funds in the amount of not more than ten percent of the budget program expenditures for the current financial year according to the approved (revised) budget, with the exception of budget programs (subprograms) financed by loans, grants, target transfers from the National Fund of the Republic Kazakhstan, between the budget programs of the republican budget programs administrators in case of budget funds non-disbursement and (or) underperformance of budget programs during the current financial year according to the budget monitoring results without changing the structure of budget expenditures with mandatory consideration by the Republican Budget Commission.

Redistribution of funds in the amount of more than ten percent shall be permissible on the expenses of the reserve of the Government of the Republic of Kazakhstan;

4) provided in paragraph 4 of Article 104 of this Code;

5) provided in paragraph 3 of Article 110 of this Code;

5-1) excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

6) excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

3. The adjustment of the local budget shall be in the following cases:

1) education, liquidation, reorganization, changes in the functions and limits of the staff number of executive bodies, financed from the local budget, and their subordinate state institutions. In this case, the adjustment of the budget is the merger, division, reduction (increase), transfer of the relevant budget programs, associated with these cases within the total amount of these budget programs, approved by the (clarified) by the decision of maslikhat on the local budget;

2) allocations of funds during the financial year from the reserves of the Government of the Republic of Kazakhstan, local executive bodies of the region and the district (the city of regional significance) to the lower budget, and allocations of funds to the lower budget from the distributed budget program, provided for in the higher budget during the financial year;

2-1) provided in paragraph 3 of Article 42 of this Code;

2-2) allocation of additional and (or) changes in the amount of allocated targeted transfers and budget credits from the higher budget;

2-3) insufficiency of funds provided for one of the types of reserve to increase the planned appointments of the corresponding reserve through the redistribution of the total amount of funds of the reserves of the local executive body;

2-4) making changes and (or) additions to the unified budget classification when adjusting the local budget, provided for in subparagraphs 1) and 2-2) of this paragraph;

3) the distribution of funds of the budget programs between the various administrators of budget programs, approved as part of the certain administrator of budget programs;

4) provided in paragraphs 4 and 5 of Article 44 of this Code;

5) provided in paragraph 4 of Article 104 of this Code;

6) provided in paragraph 3 of Article 110 of this Code.

7) provided for in paragraph 4 of this article.

4. Adjustment of the budget of a city of district significance, a village, a township, a rural district is carried out in the event of a redistribution of funds in the amount of not more than twenty percent of the expenditures of the budget program for the current financial year according to the approved (revised) budget, with the exception of budget programs (subprograms) funded at the expense of targeted transfers from the district (city of regional significance) budget, between budget programs in case of non-disbursement of budget funds and (or) inefficient implementation of budget programs during the current financial year based on the results of budget monitoring without changing the structure of budget expenditures with mandatory coordination with the meeting of the local community.

**Footnote.** Article 111, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.04.2014 № 189-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 № 225-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication)); dated 30.11.2017 № 112-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.06.2021 No. 60-VII (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

## **Chapter 21. BUDGET MONITORING AND EVALUATION OF THE RESULTS**

### **Article 112. Budget monitoring**

1. Budget monitoring is a regular and systematic collection, auditing and analysis of budget execution indicators, carried out in order to identify the reasons for late commitments, late payments on budget programs, forecasting performance of revenues and expenditures.

2. Budget monitoring shall be carried out by the administrators of budget programs, central and local authorized bodies for budget execution, as well as the apparatus of the Akims of the cities of district significance, villages, townships, rural districts.

3. Budget monitoring is based on the budgetary reporting of the authorized bodies for budget execution and the information, provided by the administrators of budget programs.

4. Administrators of republican and local budget programs shall present reports to the authorized central and local budget execution bodies on the monitoring of the budget programs performance, the use by business entities of budget funds received as part of state support.

5. Upon budget monitoring results, the central and local authorized budget execution bodies quarterly and at the end of the year shall send to the Government of the Republic of Kazakhstan, the Supreme Audit Chamber of the Republic of Kazakhstan, local executive bodies and the central authorized body for state planning an analytical report on the republican and local budgets execution, and also monthly a reminder information to budget programs administrators about not assumed obligations under budget programs in accordance with the financing plan for obligations and untimely fulfillment of the financing plan for financing on payments.

6. The results of the analytical report on execution of the relevant budget shall be taken into account in the development or clarification of the relevant budget, formation of a unified database of state audit and financial control, implementation of the preliminary assessment of the draft of republican budget.

6-1. Monitoring of the achievement of the final results of the budget development programs shall be carried out by the budget programs administrators within three years after the projects' completion.

7. The central authorized body for budget execution shall provide a common methodological guidance for the budget monitoring.

**Footnote. Article 112, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 11.07.2017 № 90-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 113. The results assessment**

1. Assessment of results are objective impact assessment of activity of the central state and local executive bodies of areas, cities of republican significance, the capital on

development of national economy or the region, separately taken industry (sphere) of economy, society, the analysis of achievement of indicators of results of activity of state body

2. Assessment of results is based on:

1) to implementation assessment of System's documents of state planning which is carried out according to the System of state planning;

2) the audit of efficiency booked according to the Law of the Republic of Kazakhstan "On the state audit and financial control";

3) to efficiency evaluation of activity of the central state and local executive bodies of areas, cities of republican significance, the capital which is carried out according to the System of annual efficiency evaluation of activity of the central state and local executive bodies of areas, cities of republican significance, the capital.

3. Assessment of results of the central state and local executive bodies of areas, cities of republican significance, the capital has to include:

1) analysis of justification of the choice of target indicators of documents of System of state planning, clarity and clearness of their statement;

2) the analysis of achievement of indicators of documents of System of state planning and the budget programs with indication of the reasons of their not achievement or overfulfillment ;

3) analysis of the existence of correlations between the goals of development plans of state bodies and budget programs of state bodies, with the exception of the bodies referred to in part four of paragraph 3, Article 62 of this Code;

4) recommendations following the results of assessment of results.

4. Responsibility according to laws of the Republic of Kazakhstan for not achievement of the straight lines and resulting effects defined in the budget programs including at complete development of budgetary funds, is born by the first head of the administrator of the budget programs and the head of the budget program.

**Footnote. Article 113 in edition of the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

**Section 5. The system of accounting and financial reporting of state institutions, with the exception of the National Bank of the Republic of Kazakhstan and its agencies**

**Footnote. Title of Section 5 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its official publication).**

**Chapter 22. THE ACCOUNTING SYSTEM**

## **Article 114. The purpose of the accounting and financial reporting**

The purpose of the accounting and financial reporting is the provision of full and accurate information about the financial position of the state institutions to the interested parties.

## **Article 115. The principles and the qualitative characteristics of accounting and financial reporting**

1. The principles of accounting and financial reporting are the accrual and ongoing concern.

The accrual principle is ensured by the recognition of the results of operations upon which they occurred, regardless of the time of payment.

The ongoing concern principle means that the state institution intends to work in the foreseeable future, there will not be the need to eliminate or considerably reduce the activity. If such an intention or need exists, the financial reporting is prepared according to the specific rules.

2. The main qualitative characteristics of financial reporting are the understandability, relevance, reliability and comparability.

The understandability is the information provided in the financial reporting should be understandable to users.

The relevance is the information must be relevant to users, who make decisions and help them to assess the event, confirm or correct their past evaluations.

The reliability is the absence of the significant errors and distortions, when the users can rely on the information as to the true.

The comparability is the ability to compare the information for the different periods and the different state institutions. The financial results of similar operations should be carried out on a uniform methodology for all state institutions.

## **Article 116. The accounting system**

1. The accounting is the ordered system of collecting, recording and summarizing the information on the operations of state institutions, regulated by the budget legislation of the Republic of Kazakhstan and the accounting policy.

2. The accounting policy includes the principles, fundamentals, regulations, rules and practices used by the state institutions in the preparation and presentation of financial reporting, which is united for all state institutions. The accounting policy is developed and approved by the central authorized body for budget execution.

3. The transactions and events are recorded in the accounting records on the basis of the chart of accounts of state institutions, which is developed and approved by the central authorized body for budget execution.

4. The accounting procedures in the state institutions, the order of the inventory in the state institutions, the album of forms of accounting documents for the state institutions are established by the central authorized body for budget execution.

5. The administrators of budget programs in consultation with the central authorized body for budget execution, where necessary, may issue the instructions on the application of the general provisions on accounting in the state institutions, their system taking into account the specific features of their activities and compliance with the established accounting procedures in the state institutions.

6. Officials of administrators of the republican budget programs and local authorized bodies for execution of the budget of the region, the city of republican significance, the capital city, authorized to maintain accounting and financial reporting, shall be subject to mandatory certification to check knowledge and skills.

7. The procedure for certification of officials of administrators of the republican budget programs and local authorized bodies on execution of the budget of the region, the city of republican significance, the capital city, authorized for accounting and preparation of financial reporting shall be determined by the central authorized body for budget execution.

**Footnote. Article 116, as amended by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011); dated 12.11.2015 No. 393-V (shall be enforced from 01.01.2019).**

#### **Article 116-1. Unified chart of accounts**

1. The unified chart of accounts is the codification of accounting and budget accounts, a unified budget classification, providing for coverage of government, economic and financial activities.

2. The unified chart of accounts is developed and approved by the central authorized body for budget execution.

**Footnote. Chapter 22 is supplemented by Article 116-1 in accordance with the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (effective from 01.01.2024).**

### **Chapter 23. FINANCIAL STATEMENTS**

#### **Article 117. Financial statements**

1. The financial statements are the information on financial position and changes in financial position of the state institution.

2. The financial statements of the state institution shall include:

1) a balance sheet;

**2) is excluded by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011);**

2-1) a statement of financial activity;

2-2) a statement on the changes in net assets / equity;

3) a statement on monetary movement in the accounts of the state institution by sources of funding;

4) an explanatory note.

3. The financial statements of the state institution are supported by the basic documents.

4. The state institution shall maintain a single accounting of all transactions.

5. The forms and procedures for the preparation and presentation of financial statements are set by the central authorized body for budget execution.

**Footnote.** Article 117, as amended by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011).

#### **Article 117-1. Financial reporting on the state of debt**

1. To monitor the state of public institutions' debt, based on accounting data, the financial reporting shall include financial statements on the state of debt, which consists of the following types of reports:

accounts receivable report;

accounts payable report;

report on accounts payable on long-term liabilities.

2. Financial reporting on the state of debt shall be prepared quarterly.

3. The procedure for compiling and submitting financial reporting on the state of debt shall be determined by the authorized central budget execution body.

**Footnote.** Chapter 23 shall be supplemented by Article 117-1 in accordance with the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 118. The consolidated financial statements**

The administrators of budget programs local authorized bodies for budget execution shall prepare the consolidated financial statements in the manner prescribed by the central authorized body for budget execution.

The central authorized body on budget implementation makes consolidated financial statements of the government budget which are not subject to the approval.

**Footnote.** Article 118 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication); with the change made by the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced dated 01.01.2018).

#### **Article 119. The reporting period**

1. The reporting period for the annual financial statements is the calendar year from January 1 to December 31.

2. The first reporting year for the newly created state institution begins from the moment of its state registration by 31 December of the same year, included.

#### **Article 120. The presentation of financial statements**

1. The state institutions shall present the financial statements to the administrators of budget programs.

2. The administrators of budget programs shall present the financial statements to:

1) the authorized body for budget execution;

2) to bodies of the state audit and financial control of the Republic of Kazakhstan.

2-1. Local authorized bodies for budget execution shall present the consolidated financial statements to the central authorized body for budget execution.

3. The financial statements are presented in the national currency of the Republic of Kazakhstan.

4. The central authorized body for budget execution shall have the right to determine the periods of presentation of the interim financial statements and establish a different periodicity, but not less than once a year.

**Footnote.** Article 120, as amended by the Law of the republic of Kazakhstan dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 120-1. Drawing up annual consolidated financial statements about execution of the republican budget**

1. The central authorized body on budget implementation makes the annual consolidated financial statements about execution of the republican budget consisting of the balance sheet for the corresponding financial year, the report on results of financial activities, the report on changes of net assets / the capital, the report on the movement of money, the explanatory note

2. Receipts of the budget in annual consolidated financial statements about execution of the republican budget are reflected in the order determined by the central authorized body by budget implementation.

**Footnote.** Chapter 23 is added with article 120-1 according to the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced dated 01.01.2018).

#### **Article 120-2. Drawing up annual consolidated financial statements about execution of the regional budget, city budgets of republican significance, the capital**

1. Local authorized bodies on budget implementation make the annual consolidated financial statements about execution of the regional budget, city budgets of republican significance, the capital consisting of the balance sheet for the corresponding financial year, the report on results of financial activities, the report on changes of net assets / the capital, the report on the movement of money, the explanatory note.

2. Receipts of the budget in annual consolidated financial statements about execution of the regional budget, city budgets of republican significance, the capital are reflected in the order determined by the central authorized body by budget implementation.

**Footnote.** Chapter 23 is added with article 120-2 according to the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced dated 01.01.2018).

#### **Article 120-3. Drawing up annual consolidated financial statements on execution of the budget of the district (city of oblast scale), regional (city of oblast scale) budget, budgets of the city of district subordination, village, township, rural district**

1. Local authorized budget execution bodies shall draw up annual consolidated financial statements on execution of the budget of the district (city of oblast scale) and regional (city of oblast scale) budget, consisting of the balance sheet for the corresponding financial year, the report on financial performance, the report on changes in net assets/capital, cash flow statement, explanatory note.

The administrations of akims of cities of district subordination, villages, townships, rural districts shall draw up annual financial statements on the execution of budgets of cities of district subordination, villages, townships, rural districts, consisting of a balance sheet for the corresponding financial year, a report on financial performance, a report on changes in net assets / capital, cash flow statement, explanatory note, and submit it to the local authorized bodies for the execution of the budget of the district (city of oblast scale).

2. Budget receipts in the annual consolidated financial statements on the execution of the budget of the district (city of oblast scale), regional (city of oblast scale) budget, budgets of the city of regional scale, village, township, rural district shall be reflected in the manner established by the central authorized body for budget execution.

**Footnote. Chapter 23 shall be supplemented by Article 120-3 in accordance with the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced from 01.01.2023).**

## **SECTION 6. BUDGETARY ACCOUNTING AND REPORTING**

### **Chapter 24. BUDGETARY ACCOUNTING**

#### **Article 121. The basic provisions of the budgetary accounting**

The budgetary accounting is the ordered system of collecting, recording and summarizing the information in terms of money, on the transactions from the single treasury account and the accounts of state institutions, on the requirements and obligations of the Government of the Republic of Kazakhstan and local executive bodies, regulated by the budget legislation of the Republic of Kazakhstan.

#### **Article 122. Maintenance of the budgetary accounting**

1. The data of budgetary accounting is the basis for the budget reporting.
2. The procedure for maintaining the budgetary accounting is determined by the central authorized body for budget execution.

#### **Article 123. The qualitative characteristics of budgetary reporting**

1. The budgetary reporting must comply with the following qualitative characteristics:
  - 1) the credibility, signifying the authenticity of performed operations and the absence of errors in the accounting treatment;
  - 2) the completeness, meaning the reflection of all required information, provided by the budget legislation of the Republic of Kazakhstan;
  - 3) the compliance, meaning the compliance with the provisions of this Code and other regulatory legal acts on reporting.

2. The receipt into the budget of the received goods (works, services) is recorded in monetary terms of budgetary reporting.

#### **Article 124. Types of budgetary reporting**

1. The budgetary reporting shall include the following reports:

1) reports of state institutions:

report on execution of plans of receipts and expenses of money from sale of goods (works, services);

report on the receipt and expenditure of money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities to support the small Motherland;

report on receipts to the Victims Compensation Fund and compensation payments made to the victims;

revenue and expenditure report of the Education Infrastructure Support Fund;

2) reports of administrators of budget programs:

report on the results of budget monitoring;

report on execution of plans of receipts and expenses of money from sale of goods (works, services);

report on the receipt and expenditure of money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities to support the small Motherland;

performance report on the development plan of the state body;

report on implementation of budget programs;

3) budget reporting of the authorized bodies for execution of the budget and offices of akims of the cities of district significance, villages, townships, rural districts:

reports on execution of the republican, relevant local budgets, budgets of regions, districts (cities of regional significance), cities of district significance, villages, townships, rural districts, state and consolidated budgets;

report on revenues and use of the National Fund of the Republic of Kazakhstan;

report on the movement of money in the control cash account of the National Fund of the Republic of Kazakhstan;

report on execution of plans of receipts and expenses of money from sale of goods (works, services) on the state, republican and local budgets;

report on requirements and obligations of the Government of the Republic of Kazakhstan and local executive bodies;

report on receipt and expenditure of money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities to support the small Motherland on the state, republican and local budgets;

analytical report on execution of the republican (local) budget on the results of budget monitoring;

3-1) excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

4) The reports of the Government of the Republic of Kazakhstan, the local executive body :

the annual report on the execution of the republican or respective local budget;  
the annual report on the formation and use of the National Fund of the Republic of Kazakhstan.

National report on public asset management and quasi-public sector.

2. The central authorized body for budget execution shall establish the additional forms of budgetary reporting within its competence.

3. The central and local state bodies, state institutions shall follow the regulatory legal acts on the preparation and presentation of budget reporting.

4. The procedure for compiling and submitting budget reporting specified in subparagraphs 1), 2) and 3) of paragraph 1 of this article, with the exception of the performance report on the development plan of the state body, shall be determined by the authorized central budget execution body.

Footnote. Article 124, as amended by the Laws of the Republic of Kazakhstan from 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 16.11.2015 No. 403-V (shall be enforced after ten calendar days after day of its first official publication); dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (for the procedure of entry into force, see Article 2); dated 12.07.2023 No. 23-VIII (effective ten calendar days after the date of its first official publication).

#### **Article 125. Presentation of the report on the budget execution**

1. The performance report of republican and local budgets reflects the approved, specified , corrected republican and local budgets adopted, unpaid obligations, execution of receipts of the budget and (or) the paid obligations under the budget programs of the corresponding budget as of the first following reporting.

2. The central authorized budget execution body shall file monthly reports on execution of the state, consolidated, republican and local budgets to the Government of the Republic of Kazakhstan, the central authorized state planning body and the authorized internal state audit

body, quarterly - to the Administration of the President of the Republic of Kazakhstan, a report on the republican budget execution - to the Supreme Audit Chamber of the Republic of Kazakhstan.

3. Local authorized bodies of area, city of republican significance, the capital on budget implementation monthly submit the performance report of the regional budget, city budgets of republican significance, the capital in akimat, audit committee of area, city of republican significance, the capital, local authorized bodies of area, city of republican significance, the capital on state planning, authorized body on internal state audit.

Local authorized bodies of area, city of republican significance, the capital on budget implementation monthly and following the results of a year submit reports, the stipulated in article 124 of the presents code, in the central authorized body on budget implementation.

4. The local authorized body of the area (the city of regional significance) on budget implementation monthly submits the performance report of the budget of the area (the city of regional significance) and also other reports provided by this Code, in akimat, audit committee of area, local authorized body of the area (the city of regional significance) on state planning, local authorized body of area on budget implementation and authorized body on internal state audit.

5. The city akim office of the district significance, the village, settlement, rural district monthly submits the performance report of city budget of district significance, the village, settlement, rural district and also other reports provided by this Code in local authorized body of the area (the city of regional significance) on budget implementation.

**Footnote. Article 125, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV ( shall be enforced upon expiry of ten calendar days after its official publication.); dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication); dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 126. Report on execution of the development plan of a state body**

1. The report on execution of the development plan of a state body shall contain information on the progress of its implementation, progress in achieving goals, target indicators of the state body's activities.

2. The report on execution of the development plan of the state body shall be drawn by the state body annually and posted on the Internet resource signed by the chief executive (with the exception of information that is secret and for official use) no later than February 15 of the year following the reporting year.

**Footnote. Article 126 - as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

## **Chapter 25. THE ANNUAL REPORT ON THE BUDGET EXECUTION**

### **Article 127. Presentation of the annual report on the execution of the republican budget**

1. The central authorized body on budget implementation no later than April 1 of the year following reporting makes and submits the annual report on execution of the republican budget for an accounting financial year in the Government of the Republic of Kazakhstan, the central authorized body on state planning and bodies of the state audit and financial control.

2. The annual report on the execution of the republican budget for the financial year shall consist of:

1) the report on the execution of the republican budget for the corresponding financial year, which presents the data on the performance indicators of the republican budget, according to the annexes to the Law on the republican budget;

2) analytical report on the republican budget execution on receipts, expenditures based on the conducted budget monitoring and reports on the performance of development plans of state bodies and evaluation of the reporting financial year results.

The analytical report on the republican budget expenditures shall contain information on the implementation of the goals and achievement of target indicators of the development plan of the state body in conjunction with budgetary funds and indicators of the budget programs results and on underperformance of the budget programs.

For republican budget programs administrators who do not draw development plans of state bodies, analytical information shall be reflected on budget programs with indication of performance indicators.

An analytical report on the republican budget expenditures shall be compiled in the context of budget programs administrators and budget programs;

3) the explanatory note;

4) annual consolidated financial statements about execution of the republican budget.

3. The explanatory note shall include analytical information on the economic situation and on the implementation of the main fiscal policy directions in the country, adopted in the forecast for the socio-economic development of the republic for the corresponding period, implementation of state programs, national projects, on the execution of articles of the law on the republican budget for the corresponding financial year.

4. The annual report on the republican budget execution over the reporting financial year shall be submitted by the Government of the Republic of Kazakhstan annually no later than April 20 of the current year to the Parliament of the Republic of Kazakhstan and the Supreme Audit Chamber of the Republic of Kazakhstan. The central authorized body for budget execution shall ensure coordination of the work of budget programs administrators when considering the annual report on the republican budget execution for the reporting financial year in the Parliament of the Republic of Kazakhstan.

4-1. The Supreme Audit Chamber of the Republic of Kazakhstan shall submit no later than May 15 of the current year for discussion and approval to the Parliament of the Republic of Kazakhstan and for information to the Government of the Republic of Kazakhstan a report on the republican budget execution for the reporting financial year, which in its content is a conclusion to the corresponding report of the Government of the Republic of Kazakhstan.

5. The order of drawing up and submission of the annual report on execution of the republican budget is defined by the Government of the Republic of Kazakhstan.

**Footnote. Article 127, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 02.07.2014 No. 225-V (an order of enforcement see Art. 2); dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); of 03.07.2017 No. 86-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 128. The discussion and approval of the annual report on the execution of the republican budget in the Parliament of the Republic of Kazakhstan**

1. The Parliament of the Republic of Kazakhstan shall review the annual report of the Government of the Republic of Kazakhstan on the republican budget execution for the reporting financial year after receiving the report of the Supreme Audit Chamber of the Republic of Kazakhstan on the republican budget execution in a separate meeting of the Chambers by successive consideration first in the Mazhilis, then in the Senate.

2. In the discussion of the annual report on the execution of the republican budget, the Parliament of the Republic of Kazakhstan shall hear:

the report of the officials, authorized by the Government of the Republic of Kazakhstan on the execution of the republican budget and the implementation of the main areas of fiscal policy in the country, made in the forecasting of social and economic development for the relevant period;

report of the chairman of the Supreme Audit Chamber of the Republic of Kazakhstan on the republican budget execution;

the supplementary reports of the officials, authorized by the Chambers of the Parliament of the Republic of Kazakhstan with the conclusions for the report on the execution of the republican budget.

2-1. When discussing the annual report on the republican budget execution, the standing committees of the Parliament of the Republic of Kazakhstan shall hear reports from the heads of republican budget programs administrators on the achievement of direct and final results of budget programs and akims of regions, cities of republican status, the capital on target transfers and budget loans received from the republican budget.

3. After discussion in the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan, the annual reports of the Government of the Republic of Kazakhstan and the Supreme Audit Chamber of the Republic of Kazakhstan on the republican budget execution for the reporting financial year shall be approved at a joint session of the Parliament Chambers of the Republic of Kazakhstan.

**Footnote. Article 128, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 05.11.2022 No. 157-VII (shall be enforced ten calendar days after the date of its first official publication).**

**Article 129. Presentation of the annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital**

1. The local authorized budget execution body of the region, the city of republican status, the capital on, shall submit no later than April 1 of the year following the reporting one, an annual report to the akimat, the local authorized body of the region, cities of republican status, the capital, state planning and state audit bodies, financial control bodies on the execution of the regional budget, the budgets of the city of republican status, the capital over the reporting financial year.

2. The annual report on the execution of the regional budget, the city of republican significance and the capital for the financial year shall consist of:

1) the report on the execution of the regional budget, the budgets of the city of republican significance and the capital for the corresponding financial year, which presents the data on the performance indicators of the regional budget, the budgets of the city of republican significance and the capital, according to the annexes to the decision of maslikhat on the regional budget, the budgets of the city of republican significance and the capital;

2) an analytical report on the execution of the regional budget, the budgets of the city of republican status, the capital on receipts, implementation of local budget programs based on budget monitoring, evaluation of results, a report on the execution of the development plan of the region, the city of republican status, the capital.

The analytical report on the local budget programs execution shall contain information on the achievement of target indicators of the development plan of the region, the city of republican status, the capital, indicators of direct and final results of local budget programs, disbursement of the allocated budget funds, underperformance of budget programs;

3) the explanatory note;

4) annual consolidated financial statements about execution of the regional budget, city budgets of republican significance, the capital.

3. The explanatory note contains analytical information on the economic situation and the implementation of the main directions of the fiscal policy adopted in the forecast of

socio-economic development for the corresponding period, on the execution of paragraphs of the decision of the relevant regional maslikhat, maslikhats of the city of republican significance, the capital on the regional budget, on budgets cities of republican significance, capitals for the corresponding financial year.

3-1. The akimat of area, city of republican significance, capital carries out discussion of the annual report on execution of the regional budget, city budget of republican significance, the capital at a meeting of the public council created according to the Law of the Republic of Kazakhstan “on public councils”.

4. Akimat of the region, the city of republican significance and the capital shall represent the annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital for the financial year annually, with the applications:

1) no later than April 20 of this year, to the audit committee of the region, the city of republican significance and the capital;

2) no later than May 1 of the year to maslikhat of the region, the city of republican significance and the capital.

**Footnote. Article 129, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV ( shall be enforced upon expiry of ten calendar days after its official publication); dated 03.12.2013 No. 150-V (shall be enforced dated 01.01.2015); dated 02.07.2014 No. 225-V ( shall be enforced dated 01.01.2018); dated 02.11.2015 No. 387-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 130. Consideration and approval of the annual report on the performance of the regional budget, the city of republican status, capital**

1. Maslikhat shall consider the annual report of akimats of the regions, the city of republican significance and the capital on the execution of the regional budget, the budgets of the city of republican significance and the capital for the financial year in the standing commission of maslikhat within one month after receipt of the report of the Audit Commission of the region, the city of republican significance and the capital on the execution of the regional budget, the budgets of the city of republican significance and the capital.

2. When considering the annual report, the maslikhat hears:

1) report of the akim or the person replacing him on the execution of the regional budget, the budgets of the city of republican significance, the capital and the implementation of the main directions of the fiscal policy of the region, adopted in the forecast of socio-economic development for the corresponding period;

2) report of the chairman of the audit commission of the region, the city of republican significance, the capital on the execution of the regional budget, the budgets of the city of republican significance, the capital;

3) report of the akim or the person replacing him on execution of the development plan for the region, the city of republican status, the capital;

4) reports of the heads of budget programs administrators on the achievement of target indicators of development plans for the region, the city of republican status, the capital, performance of the budget programs;

5) person (persons) authorized (authorized) by the maslikhat with an opinion on the report on the execution of the regional budget, the budgets of the city of republican significance, the capital.

3. The annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital after consideration of the standing commission of maslikhat, is approved at the session of maslikhat.

**Footnote. Article 130, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV ( shall be enforced upon expiry of ten calendar days after its official publication); dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); dated 06/30/2021 No. 60-VII (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 131. Submission of the annual report on execution district (cities of regional significance) budget**

1. The local authorized budget execution body of the district (city of regional status) shall submit no later than March 1 of the year following the reporting one, an annual report on the execution of the district (city of regional status) budget over the reporting financial year with attachments to the akimat, the local authorized state planning body of the district (city of regional status) and state audit and financial oversight bodies.

2. The annual report on execution district (the cities of regional significance) the budget for an accounting financial year consists from:

1) the performance report district (the cities of regional significance) the budget for the corresponding financial year representing data on execution of indicators district (the city of regional significance) of the budget, according to applications to the solution of the maslikhat about district (the cities of regional significance) the budget;

2) an analytical report on the execution of the district (city of regional significance) budget on receipts, performance of local budget programs based on the budget monitoring and evaluation of results, a report on the implementation of the regional development plan.

The analytical report on the local budget programs execution shall contain information on the achievement of target indicators of regional development plans, indicators of direct and final results of local budget programs, disbursement of the allocated budget funds, underperformance of budget programs;

3) explanatory note.

The explanatory note contains analytical information on the economic situation and the implementation of the main directions of the fiscal policy adopted in the forecast of the socio-economic development of the region, the city of republican significance, the capital for the corresponding period, on the execution of paragraphs of the decision of the maslikhat of the district (city of regional significance) on the district (city regional significance) budget for the corresponding financial year.

3. The akimat of the area (the city of regional significance) carries out discussion of the annual report on execution district (the cities of regional significance) the budget at a meeting of the public council created according to the Law of the Republic of Kazakhstan “On public councils”.

4. The akimat of the area (the city of regional significance) annually submits the annual report on execution district (the cities of regional significance) the budget for an accounting financial year with applications:

1) not later than March 20<sup>th</sup> of the current year to the audit commission of the region, the city of republican significance, the capital city, which includes the relevant district (the city of regional significance);

2) no later than April 1 of the current year in маслихат the area (the city of regional significance).

**Footnote. Article 131 in edition of the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 No. 210-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 131-1. Submission of the annual report on execution of city budgets of district significance, village, settlement, rural district**

1. The office of the akim of the city of district significance, the village, settlement, rural district no later than February 20 of the year following reporting submits the annual report on budget implementation of the city of district significance, the village, settlement, rural district for an accounting financial year with applications to a meeting of local community, in local authorized bodies of the area (the city of regional significance) on state planning and budget implementation.

2. The annual report on execution of city budgets of district significance, the village, settlement, rural district for an accounting financial year consists from:

1) the performance report of city budgets of the district significance, the village, the settlement, the rural district for the corresponding financial year representing data on execution of indicators of city budgets of district significance, the village, settlement, rural district according to applications to the solution of the maslikhat of the area (the city of regional significance) on budgets of the cities of district significance, villages, settlements, rural districts;

2) the analytical report about execution of city budgets of district significance, the village, settlement, rural district on receipts, accomplishment of local budget programs on the basis of the carried-out budget monitoring and assessment of results.

The analytical report on the local budget programs execution shall contain information on the achievement of target indicators of the regional development plan, indicators of direct and final results of local budget programs, disbursement of the allocated budget funds, underperformance of budget programs;

3) explanatory note.

The explanatory note contains analytical information on the economic situation and on the execution of points of the decision of the maslikhat of the district (city of regional significance) on the budgets of the city of district significance, village, township, rural district for the corresponding financial year.

3. The office of the akim of the city of district significance, the village, settlement, rural district carries out discussion of the annual report on budget implementation of the city of district significance, the village, settlement, rural district at a meeting of local community.

4. The office of the akim of the city of district significance, the village, settlement, rural district annually after approval of a meeting of local community submits the annual report on budget implementation of the city of district significance, the village, settlement, rural district for an accounting financial year with applications:

1) no later than March 10 of the current year in audit committee of area;

2) no later than March 20 of the current year in маслихат the area (the city of regional significance).

**Footnote.** Chapter 25 is added with the article 131-1 according to the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI ( shall be enforced after ten calendar days after day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

**Article 132. Consideration and approval of the annual report on execution district (cities of regional significance) budget, city budgets of district significance, village, settlement, rural district**

1. Maslikhat of the area (the city of regional significance) considers the annual report of akimat of the area (the city of regional significance), the akim of the city of district significance, the village, the settlement, the rural district about execution district (the cities of regional significance) the budget, city budget of district significance, the village, the settlement, the rural district for an accounting financial year in the permanent commissions of the maslikhat within a month after obtaining the report of audit committee of area on execution district (the cities of regional significance) the budget, city budget of district significance, the village, the settlement, the rural district.

2. When considering the annual report, the maslikhat hears:

1) report of the akim or the person replacing him on the execution of the district (city of regional significance) budget;

2) report of the chairman or a member of the audit commission of the region authorized by the chairman on the execution of the district (city of regional significance) budget;

3) progress report of the akim or the person replacing him; development plan for the region

4) reports of the heads of budget programs administrators on the achievement of target indicators of the regional development plan, performance of the budget programs;

5) person (persons) authorized by the maslikhat with a conclusion on the report on the execution of the district (city of regional significance) budget;

6) report of the akim of the city of district significance, village, township, rural district on the execution of the budget of the city of district significance, village, township, rural district.

3. After consideration of the maslikhat by the permanent commissions the annual report on execution district (the cities of regional significance) the budget, city budgets of district significance, the village, settlement, rural district affirms at a maslikhat session.

**Footnote. Article 132 in edition of the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.06.2021 No. 60-VII (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 133. Preparation of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan**

1. The audit is made annually in order to ensure the transparency of activities, related to the management of the National Fund of the Republic of Kazakhstan.

The audit firm is selected on a competitive basis, in the order determined by the Government of the Republic of Kazakhstan.

The Government of the Republic of Kazakhstan shall provide the organization of the annual audit of the National Fund of the Republic of Kazakhstan.

2. The annual report on forming and use of National fund of the Republic of Kazakhstan is formed the Government of the Republic of Kazakhstan together with National Bank of the Republic of Kazakhstan annually till May 1 of the year following for reporting with inclusion of results of audit of National fund of the Republic of Kazakhstan.

3. The annual report on the formation and use of the National Fund of the Republic of Kazakhstan shall contain:

1) the report on the revenues and the use of the National Fund of the Republic of Kazakhstan;

2) the report on the activities of the National Bank of the Republic Kazakhstan on trust management of the National Fund of the Republic of Kazakhstan;

3) other information on management of the National Fund of the Republic of Kazakhstan.

4. The annual financial statement on the results of trust management of the National Fund of the Republic of Kazakhstan is signed by the Chairperson and the Chief Accountant of the National Bank of the Republic of Kazakhstan.

5. The forms and procedure for preparation of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan are approved by the Government of the Republic of Kazakhstan in consultation with the National Bank of the Republic of Kazakhstan.

**Footnote. Article 133, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 134. Presentation and approval of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan**

1. The government of the Republic of Kazakhstan together with National Bank of the Republic of Kazakhstan annually no later than June 1 of the current year submits the annual report on forming and use of National fund of the Republic of Kazakhstan on a statement to the President of the Republic of Kazakhstan.

2. The Government of the Republic of Kazakhstan after the approval of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan by the President of the Republic of Kazakhstan shall present it in the procedure of information to the Parliament of the Republic of Kazakhstan.

3. The information about the annual report on the formation and use of the National Fund of the Republic of Kazakhstan and the results of the audit shall be published in the media.

**Footnote. Article 134 with the changes made by the Law of the Republic of Kazakhstan of 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Chapter 26-1. National report on public asset management and quasi-public sector**

Footnote. Section 6 was supplemented by Chapter 26-1 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 177-VII (effective from 01.01.2024).

#### **Article 134-1. Formation of a national report on public asset management and quasi-public sector**

1. The National report on public asset management and quasi-public sector (hereinafter referred to as the national report) is a document containing a comprehensive analysis of the effectiveness of the public asset management and quasi-public sector.

2. The national report is formed in order to ensure transparency of activities related to the public asset management and quasi-public sector.

3. The national report is formed by the authorized body for the management of state property and must contain:

- 1) analytical information on the state of public assets for the reporting period;
- 2) information on the activities of quasi-public sector entities during the reporting period;
- 3) conclusions and recommendation for further development of mechanisms for managing public assets and quasi-public sector;
- 4) other data on management of state property.

4. The procedure for formation of the national report is approved by the central authorized body for state planning.

#### **Article 134-2. Presentation and approval of the national report**

1. The authorized body for state property management annually submits a national report for approval to the Government of the Republic of Kazakhstan.

2. After the approval of the national report, the Government of the Republic of Kazakhstan shall submit it to the Parliament of the Republic of Kazakhstan for the purpose of informing no later than November 1 of the year following the reporting year.

3. Information about the national report is published in the mass media.

### **SECTION 7. STATE FINANCIAL CONTROL**

Footnote. Section 7 is excluded by the Law of the Republic of Kazakhstan dated 12.11.2015 No. 393-V (shall be enforced after ten calendar days after day of its first official publication).

#### **Section 8. Budget investments and projects public-private partnership, including concession projects**

Footnote. Section heading 8 in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).

Footnote. Section 8 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

## **Chapter 30. Planning of the budget investments and projects of public-private partnership, including concession projects**

**Footnote. Chapter 30 heading in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).**

### **Article 151. General provisions on the budget investments and projects of public-private partnership, including concession projects**

**Footnote. Article 151 heading in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).**

1. The budget investments are made through:

- 1) the budget investments;
- 2) projects of public-private partnership, including concession projects.

Planning of state investment projects shall be carried out within implementation of the directions, goals, objectives and provisions determined by the documents of the State Planning System, the annual state-of-the-nation addresses of the President of the Republic of Kazakhstan and the instructions of the President of the Republic of Kazakhstan, implementation of the norms of legislative acts of the Republic of Kazakhstan, on the basis of an economic opinion on the investment proposal or opinion on the business plan for a public-private partnership project, developed by a potential private partner in direct negotiations on determining a private partner, on the expediency of a public-private partnership project.

Planning of state investment projects of state bodies that do not draw up development plans shall be carried out within the implementation of the norms of legislative acts of the Republic of Kazakhstan and (or) development documents drawn by them on the basis of economic opinion on an investment proposal or an opinion on a business plan for a public-private partnership project being developed by a potential private partner in direct negotiations to determine a private partner, on the expediency of a public-private partnership project.

2. The budget investments and projects of public-private partnership, including concession projects, are subdivided on republican and local.

3. Criteria of determination of the republican and local budget investments and projects of public-private partnership, including concession projects, are:

1) criterion by the form property as republican or local depending on the arising property right (republican or utility) on the property received as a result of implementation of the budget investments and projects of public-private partnership, including concession projects;

2) the criteria by recipients of benefits as republican, if the recipients of benefits are the subjects of two or more regions, the city of republican significance and the capital, and as

local, if the recipients of benefits are the subjects of one region, the city of republican significance and the capital.

4. For determination of the budget investments and projects of public-private partnership, including concession projects, as republican enough compliance their to one of the criteria specified in point 3 of this article.

5. Classification of the local budget investments and projects of public-private partnership , including concession projects, on regional, the cities of republican significance, the capital and district (the cities of regional significance) is performed on the basis of criteria, stipulated in Item 3 these articles.

6. The republican budget investments are implemented by the central state bodies at the expense of the republican budget.

7. The local budget investments are implemented by local executive bodies at the expense of the local budget.

8. The budget investments may be aimed at:

1) creation (construction) and reconstruction of objects which can be technically difficult and (or) unique, and technically simple and (or) standard, and also creation and development of objects of informatization;

2) institutional development of the industry (industries) by forming or increasing of the authorized capital of the quasi-public sector entities.

9. Criteria for determining the source and the method of implementation:

1) the criterion of the preferential choice in implementation of the budget investments or projects of public-private partnership, including concession projects is performed on the basis of performance indicators of implementation and investment management between subjects of the private sector, the quasi-public sector or state body (the administrator of the budget program);

2) criteria for funding mechanisms is determined in accordance with the sources and methods of financing of the planned event in terms of its capabilities on the basis of cost-benefit analysis.

10. Sources of financing the budget investments are:

1) the republican budget;

2) the local budget.

11. The methods of financing the state investment projects from the budget are:

1) financing of the budget investment project;

2) budget lending of the budget investment project;

3) formation or increase in the authorized capital of legal entities;

4) budget lending on implementation of the state investment policy by funding agencies;

5) accomplishment of the state obligations under projects of public-private partnership, including state concession obligations.

12. Financing mechanisms of state investment projects shall include the sources of budget investments and methods of financing the state investment projects.

13. Excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

13-1. The assets directed to taking measures for ensuring social and economic stability are not regulated by this Section and join in the draft of the republican budget or in the draft of the specified republican budget in the presence of the positive offer of the Republican budget commission.

**Note!**

Amendments to paragraph 14 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

14. The procedure for planning and implementing budget investments, with the exception of budget investments of special state bodies engaged in intelligence and counterintelligence activities, as well as budget investments implemented as part of a pilot national project in education, shall be established by the central authorized state planning body in agreement with the central authorized budget planning authority.

15. The procedure for planning and implementing budgetary investments of special state bodies pursuing intelligence and counterintelligence activities shall be determined by special state bodies engaged in intelligence and counterintelligence activities, in agreement with the central authorized state planning and budget planning bodies.

**Note!**

Paragraph 16 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

16. The procedure for planning and implementing budget investments within a pilot national project in education shall be established by the authorized education body in coordination with the central authorized bodies for budget planning and state planning.

Footnote. Article 151 with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); of 27.02.2017 No. 49-VI (shall be enforced from 01.01.2017); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 18.03.2019 № 237-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

## **Article 152. The development of investment proposals**

1. Investment proposals are developed by administrators of budget programs and entered into the central or local authorized bodies for the state planning.

2. Investment proposals are subject to industry expertise.

3. Administrators of budget programs shall be liable under the laws of the Republic of Kazakhstan, for the validity of the submitted investment proposals.

4. The central or local authorized body for the state planning shall prepare the economic opinion on the investment proposal.

Result of economic opinion of the central or local authorized body for the state planning is to determine the type and possible ways of financing of the state investment projects from the budget.

5. Administrators of budget programs according to the economic opinion of the central or local authorized body for the state planning provide the activities for the preparation of investment project in accordance with the legislation of the Republic of Kazakhstan.

6. The order of development or adjustment, conducting necessary examinations of the investment offer of the state investment project and selection of the budget investments is determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

**Footnote. Article 152 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).**

## **Article 153. Planning of budget investment projects**

1. Planning of budget investment projects is carried out in three stages:

1) development and conduct of expertise of investment proposals;

2) development or adjustment, as well as conducting of the necessary expertise of feasibility of the budget investment projects, except for projects that do not require the development of a feasibility study;

3) selection of budget investment projects at the stage of development budget.

In order to improve the budget process, central state bodies have the right to implement (implement) pilot projects that provide for a different procedure for planning and implementing state investment projects from the one established by the budgetary legislation of the Republic of Kazakhstan, for the construction of facilities in the healthcare, education and housing sectors that are not technically complex, the construction of which is supposed to be based on standard designs, standard design solutions and reuse projects. Alongside this, the procedure for planning and implementing such projects shall be determined by the central authorized bodies of the relevant industry (branch) that initiated the implementation (launch) of pilot projects, in agreement with the central authorized bodies for state planning and budget planning, for architecture, urban planning and construction.

Public procurement for such projects is carried out in the manner determined by the authorized body in the field of public procurement.

2. Excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

3. Administrators of budget programs make the feasibility studies to the central or local authorized bodies for the state planning, based on economic findings on the investment proposal of the state investment project on the reasonability of the implementation of the budget investment project.

4. Projects that are technically uncomplicated, the construction of which is supposed to be by typical projects, typical design decisions and re-use projects, the development of a feasibility study is not required.

The list of projects that do not require the development of a feasibility study, is developed by the authorized body for architecture, urban planning and construction, and approved by the Government of the Republic of Kazakhstan.

4-1. Development of a feasibility study is not required for budget investment projects that provide for the creation and development of informatization facilities, with the exception of projects intended for financing from government external loans and co-financing of external loans from the republican budget.

5. Consideration of the budget investment project is performed by the central or local authorized body on state planning on the basis of the feasibility statement developed according to the order of development or adjustment and also conducting necessary examinations of the feasibility statement on the budget investment project determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

Consideration of projects that are technically simple, construction of which is expected on standard projects, standard design solutions and re-use projects, as well as aimed at creation and development of information objects, shall be carried out at the stage of the investment proposal.

6. The central or local authorized body for the state planning considers the budget investment projects of administrators of budget programs and directs the economic opinion on them to the administrator of budget programs.

6-1. Selection of the budget investment project for inclusion in the draft of the corresponding budget is performed by the central authorized body on budget planning or local authorized body on state planning.

7. The basis for inclusion in the draft budget of budget investment projects is the presence of:

the positive economic opinion on the investment proposal of the state investment project on the reasonability of further implementation of the budget investment project;

the approved in the established order feasibility study of the budget investment project, except for projects that do not require the development of a feasibility study;  
the positive proposals of an appropriate budget commission.

8. Feasibility study of the budget investment project contains the results of a feasibility study and the efficiency of the budget investment project, conducted on the basis of economic cost-benefit analysis.

In the case of change the established technical and economic parameters of the budget investment project, entailing the changes to the technical solutions and the additional costs, the adjustments of feasibility study of the budget investment project is carried out, followed by passing the necessary expertise in accordance with the legislation of the Republic of Kazakhstan.

9. For investment projects, approved by the budget commissions, contained in the investment proposals with the economic opinion, the central or local authorized body for the state planning, shall form the list of budget investment projects, the development or adjustment, as well as passing the necessary expertise of feasibility studies of which are carried out at the expense of the appropriate distributed budget program of the central or local authorized body for the state planning.

Period of application of funds, allocated for the development of a feasibility study for the distributed budget program of the central or local authorized body for the state planning, may be more than one year but not more than the period specified in the proposal of the relevant budget commission.

10. To confirm the established technical and economic parameters of the budget investment project the feasibility study shall be subject to economic and other expertise, prescribed by the legislation of the Republic of Kazakhstan.

**Paragraph 11 shall be enforced from 24.04.2004 and shall be valid in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (the order of enforcement see Art. 2).**

11. For the being implemented budget investment projects approved in the relevant budget without following the procedures established by this article, economic expertise and conclusion are not required.

12. Economic expertise of the budget investment project, is based on the industry expertise, other expertise, required under the legislation of the Republic of Kazakhstan, as well as is a comprehensive assessment of the economic analysis of the budget investment project.

13. Economic expertise of the budget investment projects, planned for implementation in other states, as well as not providing for the construction activity, is conducted on the basis of a feasibility study and conclusion to it the expertise of the body involved.

14. Economic expertise of the republican budget investment projects is made by a legal entity, established by the Government of the Republic of Kazakhstan.

15. Economic opinion on the republican budget investment projects is prepared by the central authorized body for the state planning, based on the opinion of economic expertise of the legal entity, determined by the Government of the Republic of Kazakhstan.

16. Economic expertise of the feasibility study of the local budget investment projects, as well as the local budget investment projects planned for financing through the loans from the republican budget and the targeted transfers to development, is carried out by legal entities, as defined by the local executive bodies.

17. Economic opinion of the local economic budget investment projects, as well as the projects, planned for funding through the targeted transfers to development and the loans from the republican budget, is prepared by the local authorized bodies for the state planning based on the opinion of economic expertise of the legal entities, defined by the local executive bodies.

18. Legal entities, defined on the implementation of economic expertise of the budget investment projects shall be liable in accordance with the laws of the Republic of Kazakhstan for the quality of the economic expertise of the proposed decisions on the implementation of the budget investment project.

19. If necessary, the legal entities, defined to implement economic expertise, shall require additional expertise on issues, not covered by the provided expertise.

20. Upon results of the economic opinion, the feasibility study of the budget investment project is approved by the administrator of budget programs.

21. The order of consideration, selection of the budget investment projects including which are not demanding development of the feasibility statement and also assuming increase in estimated cost is determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

**Note!**

Paragraph 22 shall be valid until 01.01.2026 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 No. 177-VII.

22. The provisions of this article shall not apply to budget investment projects implemented as part of the pilot national project in education

Footnote. Article 153 with the changes made by laws of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 18.03.2019 № 237-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 290-VI dated December 27, 2019 ( shall be enforced since January 1, 2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

## **Article 154. Planning of budget investments through the state participation in the authorized capital of the legal entities**

1. Planning of budget investments through the state participation in the authorized capital of legal entities is carried out in three stages:

- 1) development and conducting the expertise of investment proposals;
- 2) development or adjustment, as well as passing the necessary expertise of the financial feasibility studies;
- 3) selection of the budget investments through the state participation in the authorized capital of the legal entities at the development of budget.

2. Administrators of the budget programs bring financial and economic justifications in the central or local authorized body on state planning on the basis of the economic conclusion on the investment offer of the state investment project on expediency of implementation of the budget investments by means of participation of the state in authorized capital of legal entities or the conclusion on the business plan to the project of public-private partnership developed by the potential private partner at direct negotiations on determination of the private partner about expediency of project implementation of public-private partnership.

Financial and economic justification of the budget investments represents the document containing data on expediency, justification and result assessment from attachment of budgetary funds in the authorized capital of legal entities.

Increase in authorized capital of legal entity at the expense of budgetary funds is allowed on the purpose of development of the legal entity.

In case of change of the set financial and economic parameters of the budget investments by means of participation of the state in authorized capital of the legal entities attracting addition and (or) change of actions, technical technology solutions, decrease in indicators of straight lines and resulting effects, increase in the expenses provided on the approved actions correction of financial and economic justification of the budget investments with the subsequent conducting necessary examinations according to the legislation of the Republic of Kazakhstan is carried out.

The adoption of the corrected financial and economic justification of the budget investments without consideration and the offer of the budget commission is not allowed.

The adjustment in the fourth quarter the current financial year the subject of the quasi-public sector of financial and economic justification of the budget investments providing decrease in indicators of the straight lines and resulting effects defined in financial and economic justification is not allowed.

3. In the implementation of budget investments through the state participation in the authorized capital of the national holdings and national management holding, the administrators of budget programs that do not have the right to ownership and use of the state

shares of the legal entities, in accordance with the decision of the Government of the Republic of Kazakhstan may pay for issue of shares of the national holdings and national management holding.

These administrators of the republican budget programs provide planning, justification and implementation of the relevant budget programs, reporting, monitoring and evaluation of the results thereof in accordance with this Code.

4. The central authorized body for budget planning or the local authorized body for state planning shall carry out the selection of budget investments planned through the participation of the state in the authorized capital of legal entities, based on the proposal of the administrator of budget programs and economic opinion, and send the opinion to the relevant budget commission.

5. Economic opinion on budget investments, planned through the state's participation in the authorized capital of legal entities at the expense of the republican budget, is prepared on the basis of the opinion of economic expertise of the legal entity, determined by the Government of the Republic of Kazakhstan.

6. Excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

Paragraph 7 shall be enforced from 24.04.2004 and shall be valid until 31.12.2011 in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (the order of enforcement see Art. 2).

7. For budgetary investments realized through the participation of the state in the authorized capital of legal entities approved in the relevant budget without following the procedures established by this article, economic expertise and conclusion are not required.

8. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of the republican budget, is carried out by a legal entity, established by the Government of the Republic of Kazakhstan.

9. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of local budgets, as well as budget investments, planned to funding through the targeted transfers to development, is prepared based on the report of the economic expertise of the legal entities, defined by the local executive bodies.

10. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of local budgets, is carried out by legal entities, as defined by local executive bodies.

11. Legal entities, defined on the implementation of economic expertise of budget investments through the state participation in the authorized capital shall be liable in

accordance with the laws of the Republic of Kazakhstan for the quality of the economic expertise of the proposed decisions on the implementation of the budget investments through the state participation in the authorized capital.

12. By results of the economic conclusion on the budget investments by means of participation of the state in authorized capital of legal entities financial and economic justification of the budget investments affirms the administrator of the budget programs, except for the budget investments by means of participation of the state in authorized capital of the national holdings and national managing holding providing project implementation in the different industries of economy which cannot be referred to competence of one administrator of the budget programs according to which financial and economic justification of the budget investments approves by these national holdings and the national managing director of holding.

13. The order and terms of development or correction of financial and economic justification of the budget investments and also selection of the budget investments planned to implementation by means of participation of the state in authorized capital of legal entities are determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

**Footnote. Article 154 with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).**

#### **Article 154-1. Project planning of public-private partnership**

1. Planning of public-private partnership projects shall be made on the basis of the economic report on the investment proposal of the state investment project on the feasibility of a public-private partnership project or a conclusion on the information sheet of the tender documentation developed by a potential private partner as part of the implementation of a private initiative, or a conclusion on business plan for a public-private partnership project, developed by a potential private partner with direct negotiations on determining a private partner, on the feasibility of a public-private partnership project in two stages:

1) development or adjustment and also conducting necessary examinations of the tender documentation of projects of public-private partnership, except for carrying out direct negotiations on determination of the private partner, according to the legislation of the Republic of Kazakhstan in the field of public-private partnership;

2) signing of the contract, as well as registration of the contract in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

The provisions of this paragraph shall not apply to public-private partnership projects planned within the framework of the concepts of development of the industry (sphere), national projects, if these documents provide for the basic parameters of public-private partnership projects, including goals and objectives, expected payments from budgetary funds, state support measures.

2. Excluded by Law of the Republic of Kazakhstan No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020).

Footnote. Chapter 30 is added with article 154-1 according to the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); in edition of the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced since January 1, 2020); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 14.07.2022 No. 141-VII (shall be enforced from 01.01.2023); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 154-2. Development of the business plan to the project of public-private partnership at direct negotiations**

1. Development of the business plan to the project of public-private partnership is performed by the potential private partner according to the legislation of the Republic of Kazakhstan in the field of public-private partnership at direct negotiations on determination of the private partner.

2. The central authorized body on state planning prepares the conclusion on the business plan for the project of public-private partnership on the basis of examination of the Center of development of public-private partnership.

The local authorized body on state planning prepares the conclusion on the business plan for the project of public-private partnership on the basis of examination of the legal entity determined by local executive body in case of his attraction.

3. In case of absence from the state of measures of the state support and payments from the budget to subjects of public-private partnership of the conclusion and examination, provided in point 2 of this article, are not required.

Footnote. Chapter 30 is added with article 154-2 according to the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); in edition of the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 154-3. Development or adjustment and also conducting necessary examinations of competitive project documentations of public-private partnership**

1. On the basis of the conclusions on investment offers and according to the conclusions of the budget commissions development or adjustment of the competitive project documentations of public-private partnership including development or adjustment of feasibility statements on the projects of public-private partnership which are an integral part of the tender documentation of the project of public-private partnership is performed.

The period of application of funds, allocated for development or adjustment of competitive project documentations of public-private partnership on the distributed budget program of the central or local authorized body for state planning, can be more than one year, but no more than the term determined in the offer of the relevant budget commission.

2. Financing of development or adjustment of competitive project documentations of public-private partnership is performed at the expense of means of the appropriate distributed budget program of the central or local authorized body on state planning and also from other non-budgetary sources of financing in the order determined by the central authorized body by state planning in coordination with the central authorized body on budget implementation.

Qualified legal entities shall be involved in the development or correction of tender documentation of republican and local public-private partnership projects.

2-1. Tender documentation for public-private partnership projects, including feasibility study, in cases provided for by the legislation of the Republic of Kazakhstan, public-private partnership projects implemented on the basis of private initiative, shall be developed as established by the legislation of the Republic of Kazakhstan in the public-private partnership area without applying paragraphs 1 and 2 of this article.

3. The central authorized body on state planning directs the tender documentation of projects of public-private partnership to examination in the Center of development of public-private partnership.

The local authorized body on state planning directs the tender documentation of projects of public-private partnership to examination to the legal entity determined by local executive body in case of his attraction.

4. The central authorized body on state planning on the basis of the corresponding examinations according to the legislation of the Republic of Kazakhstan in the field of public-private partnership creates the conclusions according to the tender documentation. The central authorized body on budget planning submits them for consideration of the Republican budget commission.

5. The local authorized body on state planning on the basis of the corresponding examinations and approvals according to the legislation of the Republic of Kazakhstan in the field of public-private partnership creates the conclusions according to the tender documentation and submits them for consideration of the relevant budget commission.

6. Inclusion in the tender documentation of the state obligations under projects of public-private partnership without consideration of the relevant budget commission is not allowed.

7. The binding of the available design estimates to the specific platform of an object of public-private partnership is performed by the organizer of tender within development or adjustment of the tender documentation or the private partner taking into account conditions of tender or the business plan to the project of public-private partnership.

8. Requirements to development or adjustment and also conducting necessary examinations of the feasibility statement on projects of public-private partnership are determined by the central authorized body by state planning.

9. On projects of public-private partnership expenses of the first year of project implementation join in the draft of the corresponding budget on the basis of the conclusion on the tender documentation of the project of public-private partnership or the business plan to the project of public-private partnership at direct negotiations on determination of the private partner and the positive decision of the relevant budget commission, expenses of the next years of project implementation join in the draft of the corresponding budget on the basis of the agreement of the public-private partnership signed and registered in the order established by the legislation of the Republic of Kazakhstan.

10. On the projects having the developed design estimates and also realized on the basis of standard projects, prototype project solutions and projects of repeated application, development of the feasibility statement is not required.

11. The persons performing advisory support of projects of public-private partnership bear responsibility according to laws of the Republic of Kazakhstan for reliability and justification of the data included in the tender documentation of the project of public-private partnership.

**Footnote.** Chapter 30 is added with article 154-3 according to the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); with the changes made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).; dated 30.12.2022 No. 177-VII ( shall be enforced ten calendar days after the date of its first official publication).

#### **Article 154-4. Advisory support of projects of public-private partnership**

1. Advisory support of projects of public-private partnership is performed within the distributed budget program of the central or local authorized body for state planning in the order determined by the central authorized body by budget implementation in coordination with the central authorized body on state planning.

2. The central authorized body on budget planning or local authorized body on state planning introduces the conclusion on rendering services in advisory support of projects of public-private partnership for consideration of the relevant budget commission.

3. On the amounts of financing of services in advisory support of each project of the public-private partnership approved by the budget commissions, the central or local authorized body on state planning creates the list of services in advisory maintenance which is

performed at the expense of means of the appropriate distributed budget program of the central or local authorized body on state planning.

Qualified legal entities shall be involved in consultative support of republican and local public-private partnership projects, if necessary.

Footnote. Chapter 30 is added with article 154-4 according to the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).

#### **Article 155. Planning of concession projects**

Planning of concession projects is performed on the basis of the economic conclusion on the investment offer of the state investment project on expediency of implementation of the concession project in two stages:

1) development or adjustment and also conducting necessary examinations of the tender documentation of concession projects;

2) concession signing of the contract and also registration of the agreement in the order established by the legislation of the Republic of Kazakhstan.

Footnote. Article 155 in edition of the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 155-1. Development and selection of concession offers**

Footnote. Article 155-1 is excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **155-2. The development or adjustment, as well as conducting the necessary examinations of the tender documentation of concession projects**

1. For concession projects approved by budget commissions on the basis of an economic opinion on an investment proposal, the development or adjustment of the tender documentation for concession projects is carried out, including the development or adjustment of feasibility studies for concession projects that are an integral part of the tender documentation for the concession project.

For republican concession projects, when developing or adjusting tender documentation in the event of a tender to select a concessionaire using two-stage procedures in accordance with Article 20-1 of the Law of the Republic of Kazakhstan "On Concessions", the development of feasibility studies for concession projects is not required.

The period for the disbursement of funds allocated for the development or adjustment of tender documentation for concession projects under the distributed budget program of the central or local authorized body for state planning may be more than one year, but not more than the period specified in the proposal of the relevant budget commission.

2. Financing for the development or adjustment of the tender documentation of concession projects are financed at the expense of the relevant distributed budget program of the central or local authorized body for the state planning.

Qualified legal entities shall be involved in the development or correction of tender documentation for republican and local concession projects, except for the cases referred to in paragraph 7 of this article.

3. The central authorized body for state planning sends the tender documentation for concession projects, except for the cases established by subparagraph 3-3) of Article 13 of the Law of the Republic of Kazakhstan "On Concessions", for examination to a specialized organization for concession issues.

The local authorized body for state planning sends the tender documentation of concession projects in the case established by subparagraph 3-3) of Article 13 of the Law of the Republic of Kazakhstan "On Concessions", including a feasibility study of the concession project, which is an integral part of the tender documentation of the concession project, for examination by a legal entity determined by the local executive body.

4. The central authorized body on budget planning on the basis of the corresponding examinations according to the legislation of the Republic of Kazakhstan on concessions creates the conclusions according to the tender documentation of the concession project and submits them for consideration of the Republican budget commission.

5. The local authorized body for the state planning on the basis of the relevant expertise and approvals in accordance with the legislation of the Republic of Kazakhstan on concessions shall form an opinion on the tender documentation of concession project and submit them for consideration to the relevant budget commission.

6. The state concession obligations without considering the relevant budget commission shall not be included in the tender documentation.

7. On projects that have the developed design and estimate documentation, as well as are not technically uncomplicated, implemented on the basis of typical designs, typical project solutions and re-use projects, the development of feasibility study is not required.

The binding of the available design estimates to the specific platform of a subject to concession is performed by the organizer of tender within development or adjustment of the tender documentation or the concessionaire taking into account marketing and financial and economic parameters of the concession project according to conditions of the tender documentation.

8. Requirements to development or adjustment and also conducting necessary examinations of the feasibility statement on the concession project are determined by authorized body by state planning in coordination with authorized body on budget planning.

**Footnote. Article 155-2 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2014); with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten**

calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); of 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced ten calendar days after the day of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).

### **Article 155-3. Advisory support of concession projects**

1. Advisory support of concession projects is performed within the distributed budget program of the central or local authorized body for state planning in the order determined by the central authorized body by state planning in coordination with the central authorized body on budget implementation.

2. The central authorized body on budget planning or local authorized body on state planning introduces the conclusion on rendering services in advisory support of concession projects for consideration of the relevant budget commission.

3. In terms of financing of services to advisory support of each concession project, approved by the budget commission, the central or local authorized body for the state planning shall form a list of services to advisory support of concession projects, that are financed at the expense of the relevant distributed budget program of the central or local authorized body for the state planning.

For consultative support of republican and local concession projects, qualified legal entities shall be involved, if necessary.

Footnote. Article 155-3 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2014); with the changes made by laws of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).

### **Article 156. Bases for adoption of the state obligations under projects of public-private partnership, including state concession obligations**

1. Adoption of the state obligations under projects of public-private partnership is performed by agreement signature of public-private partnership.

The bases for adoption of the state obligations under projects of public-private partnership are:

- 1) the protocol of negotiations (at his availability);
- 2) offers of the budget commission on adoption of the state obligations under projects of public-private partnership.

The provisions of this paragraph do not apply to public-private partnership projects planned within the framework of industry (sphere) development concepts, national projects, if the specified documents provide for the basic parameters of public-private partnership projects, including goals and objectives, the expected payments from budget funds, measures of state support.

2. Adoption of the state concession obligations is performed by concession agreement signature.

The bases for adoption of the state concession obligations are:

- 1) the protocol of negotiations (at his availability);
- 2) offers on determination of the winner of tender of the commission on the concession created according to the legislation of the Republic of Kazakhstan on concessions;
- 3) offers of the budget commission on adoption of the state concession obligations.

**Footnote. Article 156 in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); with the change made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 30.12.2022 No. 177-VII (effective ten calendar days after the date of its first official publication).**

**Article 156-1. The planning of budget investments, implemented through the contribution of the targeted investments of the founder to the development of autonomous educational organizations**

**Footnote. Article 156-1 is excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).**

**Chapter 31. Implementation of the budget investments and projects of public-private partnership, including concession projects**

**Footnote. Chapter 31 heading in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).**

**Article 157. Implementation of the budget investment projects**

1. The budget investment projects are implemented in accordance with their duly approved feasibility studies.

The implementation of budget investment projects is carried out using standard projects (if any).

1-1. Budget investment projects purposed to the creation and development of informatization objects, with the exception of projects intended for financing from

government external loans and co-financing of external loans from the republican budget, shall be implemented in accordance with investment proposals and approved technical specifications.

2. The construction activity, envisaged within the framework of the budget investment projects is carried out in accordance with the duly approved design estimate documentation.

If by the decision of the customer there was a reasonable need to adjust the project (design and estimate) documentation approved in the prescribed manner, the adjustment of pre-project documentation (if any) shall not be required.

Terms of financing of construction activity (works) should correspond to the terms for performing the works specified in the design and estimate documentation approved in accordance with the established procedure.

In this case, if the supplier undertakes to perform works requiring design and estimate documentation, fully at his own expense and receiving payment upon completion of works, unused funds provided for in the current year shall be transferred to the budget of the corresponding financial year. The use of these funds for other purposes shall not be allowed.

According to the budget investment projects realized within the agreement on a loan signed by the Government of the Republic of Kazakhstan ratified by the Republic of Kazakhstan, financing of increase in estimated cost of the budget investment projects is possible according to the civil agreement without adjustment of the design estimates if in accordance with the terms loan agreements in the civil agreement with the contractor are established other requirements for financing of significance addition.

3. The construction activity on the territories of foreign countries, envisaged within the framework of the budget investment projects, is carried out in accordance with the design estimate documentation, approved in accordance with the legislation of the State, in whose territory the project is implemented.

4. The development of a model project is made for the investment projects with the common technical specification.

Funding for the design and conduct of examinations of model projects is made at the expense of the relevant budget program of the authorized body for architecture, town planning and construction.

The use of model projects in the implementation of the budget investment projects is carried out by binding to the particular construction site.

5. The increase in the estimated cost of the budget investment projects in connection with the adjustment of design and estimate documentation, or the inclusion of the additional components to it, that entail the additional budget expenditures, not provided in the approved feasibility study or the typical project of the budget investment project is not allowed without the consideration and proposal of the budget commission.

5-1. Financing of increase in estimated cost of sections of roads according to conditions of the civil agreement on the budget investment projects specified in part second of point 2 of this article without consideration by the Republican budget commission is not allowed.

6. The development of design and estimate documentation for budget investment projects, not included in the republican or local budgets is not allowed.

It is also not allowed to develop design estimates for budget investment projects for the implementation of which there is no confirmation of financing from the republican budget from the central authorized body for budget execution, from the local budget - from the local authorized body for budget execution .

7. Excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first official publication).

8. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first official publication).

9. According to the completed investment projects financed by the republican budget assessment of implementation of investment projects by the body authorized by the Government of the Republic of Kazakhstan is carried out.

Assessment of implementation of the investment projects financed by means of the local budget is carried out by local authorized body on state planning.

10. The monitoring of the implementation of budget investment projects is carried out by the central authorized body for budget planning in the period of creation (construction) of new and reconstruction of existing facilities.

The order of carrying out monitoring of implementation of the budget investment projects is determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

The evaluation of implementation of the budget investment projects is carried out by the central authorized body for state planning.

The central authorized body for state planning shall involve the legal entity, defined by the Government of the Republic of Kazakhstan for the evaluation of implementation of the budget investment projects.

The order of evaluating implementation of the budget investment projects is determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

11. The monitoring and evaluation of implementation of the local budget investment projects and the projects, implemented through the targeted transfers for development from the republican budget, are carried out by the local authorized body for state planning.

Footnote. Article 157, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be

enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 27.10.2015 No. 363-V (shall be enforced after ten calendar days after day of its first official publication); dated 26.12.2018 No. 202-VI (shall be enforced from 01.01.2019); dated 29.06.2020 No. 352-VI (shall be enforced ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 158. The implementation of concession projects**

1. Concession projects are implemented on the basis of a concession agreement in accordance with the Law of the Republic of Kazakhstan “On Concessions”.

2. Monitoring the implementation of concession projects is carried out by the central authorized body of the relevant industry during the creation (reconstruction) of the concession and their subsequent operation.

3. Evaluation of the implementation of concession projects is implemented by the authorized body for the state planning.

When assessing the implementation of concession projects the authorized by for the state planning shall attract the legal entity, defined by the Government of the Republic of Kazakhstan.

4. The order of carrying out monitoring and assessment of implementation of concession projects is determined by authorized body by state planning.

**Footnote.** Article 158 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); with the changes made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 158-1. Project implementation of public-private partnership**

1. Projects of public-private partnership are implemented on the basis of the agreement of public-private partnership according to the Law of the Republic of Kazakhstan “On public-private partnership”.

2. Monitoring of project implementation of public-private partnership is performed by authorized state body of the corresponding industry during execution of contractual relations.

3. Assessment of project implementation of public-private partnership is performed by the central authorized body on state planning.

When evaluating project implementation of public-private partnership the central authorized body on state planning attracts the Center of development of public-private partnership.

4. The order of carrying out monitoring and assessment of project implementation of public-private partnership is determined by the central authorized body by state planning.

Footnote. Chapter 31 is added with article 158-1 according to the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).

**Article 159. The implementation of budget investments through the participation of the state in the authorized capital of legal entities**

1. The budget investments through the participation of the state in the authorized capital of legal entities shall be made by the Government of the Republic of Kazakhstan and the local executive bodies in accordance with the legislation of the Republic of Kazakhstan.

1-1. The budget investments through the participation of the state in the authorized capital of legal entities are implemented in accordance with the duly approved feasibility studies.

2. The transfer of money to increase the authorized capital of legal entities with the state's participation in the authorized capital and the increase in the authorized capital of their subsidiaries to pay for the shares of legal entities, shall be made after the state registration of the issue of shares (securities), confirmed by the certificate of the authorized body, responsible for the regulation and supervision of the securities market.

The transfer of money by the quasi-public sector entity to increase the authorized capital of subsidiaries, affiliates and its affiliated organizations in the payment of authorized shares (securities), shall be carried out within ten working days from the date of receipt of the money, allocated for the financial year in the Law on the republican budget, or in the decision of maslikhat on the local budget, on the accounts of the quasi-public sector entity.

3. The monitoring of implementation of the budget investments through the state's participation in the authorized capital of legal entities is carried out by the central authorized body for budget planning.

The evaluation of implementation of the budget investments through the state's participation in the authorized capital of legal entities is carried out by the central authorized body for state planning.

The central authorized body for state planning shall involve the legal entity, defined by the Government of the Republic of Kazakhstan for the evaluation of implementation of the budget investments through the state's participation in the authorized capital of legal entities.

The order of carrying out monitoring and assessment of implementation of the budget investments by means of participation of the state in authorized capital of legal entities is determined by the central authorized body by state planning in coordination with the central authorized body on budget planning.

4. The monitoring and evaluation of implementation of the local budget investments through the state's participation in the authorized capital of legal entities and the investments, implemented through the targeted transfers for development from the republican budget, are carried out by the local authorized body for state planning.

Footnote. Article 159, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first

official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).

## **Section 9. State obligations on projects of public-private partnership, including the state concession obligations**

Footnote. Section 9 in edition of the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication).

## **Chapter 32. State obligations on projects of public-private partnership, including the state concession obligations**

### **Article 160. General provisions on state obligations under public-private partnership projects, including state concession obligations**

1. The acceptance of state obligations under public-private partnership projects, including state concession obligations, by the Government of the Republic of Kazakhstan and local executive bodies shall be carried out in accordance with the budget legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan in the field of public-private partnership and concessions.

2. State obligations under public-private partnership projects, including state concession obligations, are divided into:

1) state obligations under public-private partnership projects, including state concession obligations of the Government of the Republic of Kazakhstan;

2) state obligations under public-private partnership projects, including state concession obligations of the local executive bodies.

3. Implementation of state obligations under public-private partnership projects, including state concession obligations of the Government of the Republic of Kazakhstan shall be carried out at the expense of the republican budget.

4. Implementation of state obligations under public-private partnership projects, including state concession obligations of the local executive bodies shall be carried out at the expense of local budgets.

5. The government of the Republic of Kazakhstan and local executive bodies shall not be liable for state obligations under public-private partnership projects, including state concession obligations of each other.

6. State obligations under public-private partnership projects, including state concession obligations of the Government of the Republic of Kazakhstan and local executive bodies shall

be considered fulfilled with full payment of state obligations under public-private partnership projects, including state concession obligations, under concluded agreements of public-private partnership or concession.

7. The procedure for providing compensation for investment costs under public-private partnership projects, compensation of operating costs under public-private partnership projects, remuneration for managing a state-owned public-private partnership facility, co-financing, guarantees for consumption by the state of a certain amount of goods, works and services produced in the course of the public-private partnership project implementation, as well as rent for the use of the public-private partnership facility and availability fees shall be determined by the central authorized budget execution body in coordination with the central authorized state planning body.

8. The methodology for determining the limits of state obligations under public-private partnership projects, including state concession obligations of, the Government of the Republic of Kazakhstan and local executive bodies shall be approved by the central authorized body for state planning.

**Footnote. Article 160 with the changes made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 30.12.2022 No. 177-VII (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 161. Registration and monitoring of state obligations under public-private partnership projects, including state concession obligations**

**Footnote. Article 161 heading in edition of the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

1. State obligations under public-private partnership projects, including state concession obligations of the Government of the Republic of Kazakhstan shall be subject to registration in the central authorized body for budget execution in the order determined by it.

State obligations under public-private partnership projects, including state concession obligations of local executive bodies shall be subject to registration in the territorial units of the central authorized body for budget execution in the manner determined by the central authorized body for budget execution.

1-1. Agreements of public-private partnership, including concessions, shall be enforced after their registration by the central authorized body for the execution of the budget or its territorial division.

Agreements of public-private partnership, including concessions, shall be subject to registration only within the amounts and terms established by the agreement, according to the decision of the relevant budget commission, as well as the resolution of the Government of the Republic of Kazakhstan on projects of special importance or the decision of maslikhat for each individual project of public-private partnership, including the concession project.

The procedure for registration of public-private partnership agreements, including concessions, shall be determined by the central authorized body for budget execution in coordination with the central authorized body for state planning.

2. The central authorized body for budget execution shall carry out the monitoring of state obligations under public-private partnership projects, including state concession obligations of the Government of the Republic of Kazakhstan.

3. Local authorized bodies for budget execution shall carry out monitoring of state obligations under public-private partnership projects, including state concession obligations of local executive bodies.

4. Monitoring of state obligations under public-private partnership projects, including state concession obligations, shall be carried out in accordance with the procedure established by the central authorized body for budget execution in coordination with the central authorized body for state planning.

**Footnote. Article 161 with the changes made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

**Article 162. Acceptance and fulfillment of state obligations under public-private partnership projects, including state concession obligations, by the Government of the Republic of Kazakhstan**

**1. Excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

2. Acceptance of state obligations under public-private partnership projects, including state concession obligations, by the Government of the Republic of Kazakhstan shall be carried out by the central authorized body for budget execution on the basis of the decision of the Government of the Republic of Kazakhstan, respectively, on each individual project of public-private partnership of special importance, including concession project of special importance, on other projects of public-private partnership, including concession projects, – on the basis of a positive decision of the relevant budget commission.

3. Acceptance of state obligations under public-private partnership projects, including state concession obligations, by the Government of the Republic of Kazakhstan shall be restricted by the limit established by the Law on the republican budget.

4. Implementation of state obligations under public-private partnership projects, including state concession obligations, by the Government of the Republic of Kazakhstan shall be carried out by the state partner or the concedent at the expense of budgetary funds provided in the republican budget.

**Footnote. Article 162 with the changes made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

## **Chapter 33. State obligations under of public-private partnership projects, including state concession obligations of local executive bodies**

### **Article 163. Acceptance of state obligations under public-private partnership projects, including state concession obligations, by local executive bodies**

1. Excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

2. The acceptance of state obligations under public-private partnership projects, including state concession obligations, by local executive bodies shall be carried out on the basis of the decision of the maslikhat of the region, the city of republican significance and the capital city, the district (city of regional significance), respectively, for each individual project of public-private partnership, including the concession project.

**Footnote. Article 163 with the changes made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

### **Article 164. Limitation of acceptance of state obligations under public-private partnership projects, including state concession obligations, by local executive bodies**

1. The acceptance of state obligations under public-private partnership projects, including state concession obligations, by the local executive body shall be restricted by the established limit of state obligations under public-private partnership projects, including state concession obligations of the relevant local executive body.

2. The limit of state obligations under public-private partnership projects, including state concession obligations of the local executive body shall be established by the central authorized body for state planning in coordination with the central authorized body for budget planning on a rolling basis for a three-year period.

**Footnote. Article 164 with the change made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

### **Article 165. Fulfillment of state obligations under public-private partnership projects, including state concession obligations, by local executive bodies**

Fulfillment of state obligations under public-private partnership projects, including state concession obligations, by local executive bodies shall be carried out by the state partner or the concedent at the expense of local budgets.

## **SECTION 10. GRANTS**

### **Chapter 34. GENERAL PROVISIONS ON THE UNTIED AND TIED GRANTS**

#### **Article 166. Untied grants**

Attraction, use, monitoring and assessment of use of untied grants are performed in the order determined by the central authorized body by state planning.

Footnote. Article 166 in edition of the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 167. Planning of the tied grants**

1. Planning of the tied grants is an activity of the central state bodies on the formation, implementation and selection of applications to attract the tied grants, based on the proposals of the donors to provide the free financial and technical assistance.

2. Requests for attraction of the connected grants are submitted by the central state bodies taking into account requests of local representative and executive bodies to the central authorized body on state planning in the order determined by the central authorized body by state planning.

The industry conclusion of authorized body in the field of informatization is attached to requests for attraction of the connected grants directed or providing creation or development of information systems.

3. Selection of requests for attraction of the connected grants is performed by the central authorized body on state planning on the basis:

1) compliance of the application for attracting a related grant with the national priorities of the Republic of Kazakhstan;

2) compliances of the request for attraction of the connected grant to policy of providing the connected grants by donors.

4. On the basis of the selected requests for attraction of the connected grants the central authorized body on state planning creates the list of requests for attraction of the connected grants.

Footnote. Article 167 with the changes made by laws of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 24.11.2015 No. 419-V (shall be enforced from 01.01.2016); of 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 28.12.2017 No. 128-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 168. The attraction of the tied grants**

1. The central authorized body for state planning based on the list of applications for the attraction of the tied grants shall direct the applications for the provision of the tied grants to donors.

2. Filling the applications for the provision of the tied grants is carried out by the appropriate central state or local representative or executive bodies based on the request of the central authorized body for state planning in the form, prescribed by donors.

To address to the donors without the consent of the central authorized body for state planning is prohibited.

3. In the case of approval of the application for the attraction of the tied grants by the donor, the feasibility of its attraction is determined by the appropriate budget commissions.

The central authorized body for state planning shall form the list of applications for the attraction of the tied grants and submit it to the consideration of the republican budget commission, and send it to the local executive bodies for the organization of work on submitting the applications to the consideration of the respective budget commissions.

Following the results of approval of requests by the relevant budget commissions the list of requests for attraction of the connected grants affirms.

3-1. On the basis of decisions of the relevant budget commissions within a year on state planning changes and additions can be made to the list of requests for attraction of the connected grants by the central authorized body.

4. The agreement on the tied grants is made after the approval of the republican or local budgets.

**Footnote. Article 168 with the change made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

## **Chapter 35. THE USE OF THE TIED GRANTS**

### **Article 169. The use of the tied grants**

1. Use of the connected grants is performed by the state organizations recipients of grants according to the agreement on the connected grant and the legislation of the Republic of Kazakhstan.

2. The state organizations-grant recipients of the tied grants shall:

- 1) timely perform its obligations, specified by the agreement on the tied grant;
- 2) ensure the appropriate and effective use of the received tied grants;
- 3) provide the entering on the balance of the equipment and materials, purchased at the expense of the tied grants;
- 4) timely perform the customs declaration for import of goods, purchased at the expense of grants;
- 5) monthly provide the information on the use of the tied grants to the authorized body for budget execution.

3. Upon completion of use of the connected grant the state organizations – recipients of the connected grants represent to the central authorized body on state planning, and on the connected grants directed or providing creation and development of information systems, also in authorized body in the field of informatization the final report about use of the connected grant signed by the authorized representative of the donor and the first head of the central state or local representative or executive body according to which request attraction of the connected grant is performed.

Footnote. Article 169, as amended by the Law of the Republic of Kazakhstan dated 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); dated 24.11.2015 No. 419-V (shall be enforced dated 01.01.2016); dated 28.12.2017 No. 128-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 170. Monitoring and evaluation of the use of tied grants**

1. Monitoring of the use of tied grants shall include:

- 1) the collection and processing of information on the progress and results of the use of tied grants by the central state and the local representative and executive bodies;
- 2) the presentation of the reports on the progress and results of the use of tied grants to the central authorized body for state planning and execution of the budget, by the central state and the local representative and executive bodies.

2. The order and terms of representation and a form of the reporting and also the requirement to the provided information on the course and results of use of the connected grants are determined by the central authorized bodies by state planning and budget implementation and also for the cases provided by this Code – authorized body in the field of informatization and communication.

3. Excluded by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

4. The central authorized body on state planning creates the consolidated report on use of the connected grants based on results of their assessment and represents him to the central authorized body on budget implementation.

Footnote. Article 170 with the changes made by laws of the Republic of Kazakhstan dated 24.11.2015 No. 419-V (shall be enforced dated 01.01.2016); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).

## **SECTION 11. BUDGET CREDITING**

### **Chapter 36. GENERAL PROVISIONS OF THE BUDGET CREDITING**

#### **Article 171. The basic provisions of the budget crediting**

1. The budget crediting is a process that involves the decision-making procedures on the provision, use, servicing and repayment of the budget loan.

2. The credit agreement is an agreement between the lender, the administrator of budget program and the borrower, establishing the relationship of the parties in the provision, use, servicing and repayment of the budget loan.

3. The budget loans are not granted for the purposes of participation in the authorized capital of legal entities, covering the losses of economic activities of the borrowers and to the payment of fees to attorneys (agents).

4. The budget loans are subject to the following conditions:

- 1) the absence of tax debts;

- 2) the availability to enforce the obligations of the borrower under the budget loan;
- 3) lack of an overdue debt of the borrower on earlier granted budget credits.

**Footnote. Article 171 with the change made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 172. The principles of budget crediting**

The provision of budget loans shall be in accordance with the following principles:

- 1) the repayment, providing the mandatory redemption of budget loan in accordance with the loan agreement;
- 2) the provision, providing the enforcement for fulfillment of the obligations by the ways, established by the legislation of the Republic of Kazakhstan;
- 3) the payment, providing the payment of remuneration by the borrower for the provision of budget loan;
- 3) the urgency, providing the establishment of the term for the provision of budget loan.

#### **Article 173. Budget crediting criteria**

The budget loans are granted in compliance with the following criteria:

- 1) the economic and social efficiency of implementation of the activities through the budget crediting;
- 2) the return of measures, implemented at the expense of budget loan;
- 3) solvency of the borrower according to the criteria determined by authorized body by budget implementation in coordination with authorized body on state planning.

**Footnote. Article 173 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 174. The subjects of budget crediting**

1. The subjects of budget crediting are the lender, the administrator of budget program, the borrower, the sub borrower and the attorney (agent).

2. The rights and obligations of budgetary lending subjects shall be determined in loan agreements and (or) an agency agreement in accordance with this Code and other legislative acts of the Republic of Kazakhstan.

**Footnote. Article 174 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 175. Creditor**

1. The creditor is a party of the loan agreement, providing the budget loan in accordance with the budget and civil legislation of the Republic of Kazakhstan.

2. The lender in budget lending from the republican budget shall be the central authorized budget execution body.

3. The creditor in the budget crediting from the local budget is the appropriate local executive body.

4. The creditor provides the budget crediting in accordance with this Code and the legislation of the Republic of Kazakhstan, and supervises the execution of the conditions of the loan agreement.

**Footnote. Article 175 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 176. The administrator of budget programs as a subject of the budget crediting**

The administrator of budget program in the budget crediting is a party of the loan agreement and provides:

1) determination on a competitive basis of specialized organizations and attorneys (agents), with the exception of financial agencies, and a national company in the agro-industrial complex involved in food security provision;

2) the control and monitoring of the appropriate and effective use, repayment and servicing of budget loans.

**Footnote. Article 176 with the changes made by the Law of the Republic of Kazakhstan dated 15.06.2015 No. 322-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).**

#### **Article 177. Borrowers**

1. The borrower is a party of the loan agreement, receiving the budget loan, which has the obligations to repay the principal and interest payment, and other payments under the loan agreement.

2. The borrowers are:

1) the specialized institutions - the banks, companies, engaged in certain types of banking operations, as well as the organizations, a majority stake of which belongs to the state or national holding company or the national management holding company, which are residents of the Republic of Kazakhstan;

2) local executive bodies, offices of akims of the cities of district significance, villages, settlements, rural districts;

3) the foreign states;

4) the individuals;

**Footnote. Article 177 with the change made by the Law of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 178. Sub borrowers**

1. The end borrower shall be the final recipient of the budget loan provided to him on the terms determined by the creditor or financial agency.

2. The sub borrowers may be the individuals or legal entities, who are the residents of the Republic of Kazakhstan, carrying out the business activities.

3. Selection and crediting of final borrowers are performed by the specialized organizations or the borrower on behalf of local executive body according to purpose of the budget program and also their own credit policy.

**Footnote. Article 178 with the changes made by the Law of the Republic of Kazakhstan dated 15.06.2015 No. 322-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

### **Article 179. Attorneys (agents)**

1. The attorney (agent) is the person who on the basis of the agreement of order makes from a name and at the expense of the creditor (principal) or the administrator of the budget program and according to his instructions the certain instructions connected with the budget crediting.

2. The attorney (agent) on behalf of a creditor (grantor) can perform the following actions:

1) the service of budget loans;

2) the calculations with the borrowers;

3) carrying out monitoring of financing and implementation of the budget investment projects and (or) investment projects realized by the borrower or the final borrower;

4) carrying out monitoring of a financial condition of the borrower and (or) final borrower

;

5) the debt collection in accordance with the legislation of the Republic of Kazakhstan;

6) the determination of individual borrowers and conclusion of the loan agreements with them;

7) determination of final borrowers.

3. The attorneys (agents) are the bank, organization, performing the certain types of banking operations, or the organization, a majority stake of which belongs to the state or national holding company or the national management holding company, which are the residents of the Republic of Kazakhstan.

4. The attorney (agent) shall be determined by the authorized budget execution body or the budget program administrator in accordance with the legislation of the Republic of Kazakhstan on public procurement, with the exception of the financial agency.

5. Payment to the attorney (agent) of remuneration for execution of the order is performed by the administrator of the budget program at the expense of means of the corresponding budget if other is not provided by the agreement of order.

The amount of payment of remuneration for the performance of orders by the attorney (agent) is established in the order agreement.

Footnote. Article 179 with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 15.06.2015 No. 322-V (shall be enforced after ten calendar days after day of its first official publication); dated 03.01.2022 No. 101-VII (shall be enforced sixty calendar days after the date of its first official publication).

## **Chapter 37. THE CONDITIONS OF BUDGET CREDITING**

### **Article 180. The main conditions of the loan agreement**

1. The loan agreement must contain the following main conditions of budget crediting:
  - 1) the purpose of the provision;
  - 2) the amount;
  - 3) the currency;
  - 4) the term;
  - 5) the development period;
  - 6) the rate of remuneration;
  - 7) the date of commencement of the principal debt payment.
2. The main conditions of a budget loan shall be established by the decision of the central authorized budget execution body or the relevant local executive body.
3. The additional conditions, including the conditions, determining the method for the provision of budget loan, the repayment schedule and budget loan service, the methods to ensure the fulfillment of obligations under the budget loan, are included in the loan agreement

Footnote. Article 180 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

### **Article 181. The term of budget loan**

1. The term of budget loan is a period of time, during which the borrower receives, uses, maintains and repays the budget loan.
2. The term of budget loan is calculated from the date of transfer of the budget loan funds from the account of the creditor.
3. Depending on the term, the budget loans are divided into the following types,:
  - 1) a short-term - up to 1 year;
  - 2) a medium-term - from 1 year to 5 years;
  - 3) along-term - from 5 to 30 years.

### **Article 182. The development period of budget loan**

The development period of budget loan is the period of time, during which the borrower can use the budget loan for the implementation of measures, in accordance with the objectives of the budget loan.

## **Article 183. The methods of enforcement for the performance of obligations under the budget loan**

1. The performance of obligations under the budget loan is secured by a pledge, guarantee, surety ship or other means, provided by the legislation of the Republic of Kazakhstan or the contract.

Local executive bodies, akims' offices of cities of regional status, villages, townships, rural districts, the national company in the agro-industrial complex involved in food security provision, and financial agencies, the list of which is determined by the Government of the Republic of Kazakhstan, budget loans from the republican budget may be allocated without securing of obligations.

The order of inclusion of the financial agencies in the list of the financial agencies obtaining budget credits from the republican budget without providing is determined by authorized body by budget implementation in coordination with authorized body on state planning.

2. The cost of securing budget loan repayment should not be less than the budget loan amount, taking into account the amount of interest accrued before the first planned repayment of the principal debt, in accordance with the repayment schedule.

3. The evaluation of performance of the obligations under the budget loan is carried out in accordance with the legislation of the Republic of Kazakhstan.

Fee according to ensuring obligation fulfillment on a budget credit is made by the borrower or the final borrower.

**Footnote.** Article 183, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 15.06.2015 No. 322-V (shall be enforced after ten calendar days after day of its first official publication); dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

## **Article 184. The rate of remuneration**

1. The remuneration is the payment, made by the borrower for the use of budget loan.

2. The rate of remuneration is the amount of interest, expressed as a percentage per annum

3. The rate of remuneration can be fixed or floating.

The fixed rate of remuneration is the rate of remuneration, the amount of which is set constant for the duration of the budget loan.

The floating rate of remuneration is the rate of remuneration, the amount of which varies depending on the situation on the financial market.

4. The average weighted rate of return is the average weighted rate of remuneration on the government securities, issued by the central authorized body for budget execution.

The interest rate on budget loans, with the exception of interest rates on budget loans to local executive bodies, the national company in the agro-industrial complex involved in food security provision, financial agencies, as well as on budget loans provided by local executive bodies as borrowers to end borrowers to address social policy tasks of the state, shall be set not below the weighted average rate of profitability on government securities with a maturity corresponding to the term of the budget loan.

The order of determination of a weighted average rate of profitability on the corresponding government securities issued by the central authorized body on budget implementation is established by authorized body on budget implementation in coordination with authorized body on state planning.

**Footnote. Article 184 with the changes made by laws of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 15.06.2015 No. 322-V (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 185. The methods for providing the budget loan**

The budget loans can be provided through:

- 1) the payment for the payment documents of the borrower;
- 2) the transfer to the bank account of the borrower a lump sum or in installments according to the schedule listings or as representations of the relevant documents by the borrower.

#### **Article 186. The repayment and servicing schedule of the budget loan**

1. The repayment and servicing schedule of the budget loan establishes the terms, the frequency of repayment and servicing of the budget loan.

2. The loan agreement may provide for a grace period.

The grace period is a period of time, which is part of term of the budget loan, in which the borrower is not paying off the loan. The duration of the grace period should not exceed one third of the length of the loan term.

At the budget crediting of the financial agencies with for up to one year repayment of a budget credit at the end of the term of a budget credit is allowed.

**Footnote. Article 186 with the change made by the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication).**

### **Chapter 38. THE BUDGET CREDITING PROCEDURES**

#### **Article 187. Decision-making on the provision of budget loan**

Making the decision on providing the budget loan includes:

1) determination by the central or local authorized body on state planning of expediency of the budget crediting in the order determined by the central authorized body by state planning except for the budget credits directed to a covering of cash deficit of subordinate budgets;

2) consideration by the central authorized body on budget planning and local authorized bodies on state planning of the budget programs offered by the administrator of the budget programs to implementation by means of the budget crediting regarding compliance to their criteria of the budget crediting.

Determination by the central authorized state planning body of the feasibility of budgetary lending to budget investment projects requiring development of a feasibility study, and implementation of state investment policy by financial agencies, and procurement of agricultural products by a national company in the agro-industrial complex involved in food security provision at the republican budget expense shall be based on the conclusion of the economic expertise of a legal entity, determined by the Government of the Republic of Kazakhstan.

Determination of the local authorized bodies for the state planning of the feasibility of budget crediting of budget investment projects, requiring the development of a feasibility study, and the implementation of state investment policies by financial agencies at the expense of the local budget, is carried out taking into account of the opinion of economic expertise.

Economic expertise of budget crediting of budget investment projects, requiring the development of a feasibility study and the implementation of the state investment policies by financial agencies at the expense of the local budget, is carried out by legal entities, defined by the local executive bodies.

Financial and economic justification and (or) the feasibility statement on the budget crediting represent the documents containing results marketing, socio-economic analysis and also financial calculations, proving payback, cost and social efficiency of implementation of actions by means of the budget crediting.

In case of change of the set financial and economic parameters of the budget crediting attracting addition and (or) change of actions, technical technology solutions, increase in the expenses provided on the approved actions correction of financial and economic justification and (or) the feasibility statement on the budget crediting with the subsequent conducting necessary examinations according to the legislation of the Republic of Kazakhstan is carried out.

The adoption of the corrected financial and economic justification and (or) the feasibility statement on the budget crediting without consideration and the offer of the budget commission is not allowed;

3) consideration by the budget commission of a budget request and the conclusion of the central authorized body on budget planning or local authorized body on state planning;

4) the development of the proposals by the budget commission for inclusion of the budget program in the draft budget.

Footnote. Article 187 is in the wording of the Law of the Republic of Kazakhstan dated 13.06.2013 № 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), as amended by the Law the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

**Article 188. The procedure for providing the budget loan**

1. The procedure for providing the budget loan includes the following steps:

- 1) the determination of the main conditions of the budget loan;
- 2) determination of the borrower, including final borrower in the presence;
- 3) the conclusion of the loan agreement and the related agreements;
- 4) the providing of the budget loan to the borrower.

2. The administrators of budget programs after approval of the relevant budgets submit for approval the draft decisions of the creditor on the main conditions and the category of borrowers of the budget loans.

3. The borrowers are defined:

- 1) by the attorney (agent) in accordance with the contract of agency under the budget crediting of citizens of the Republic of Kazakhstan;
- 2) the administrator of the budget program for results of tender at the budget crediting of the specialized organizations, except for the financial agencies. The order of selection of the specialized organizations is established by authorized body on budget implementation in coordination with authorized body on state planning;
- 3) in accordance with this Code for budget crediting of the local executive bodies;
- 4) according to the international treaties ratified by the Republic of Kazakhstan at the budget crediting of foreign states.

4. The citizens of the Republic of Kazakhstan receive the budget loans in cases, stipulated by the legislative acts of the Republic of Kazakhstan.

The budget crediting of citizens of the Republic of Kazakhstan is carried out through the attorneys (agents).

5. Providing of the budget loan is carried out after the conclusion and registration of the loan agreements, contracts of agency and documents, confirming the enforcement of obligations under the budget loan.

6. Procedures for providing budget credits, including the list of the documents necessary at their representation, are determined by authorized body by budget implementation in coordination with authorized body on state planning.

**Footnote. Article 188 with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 189. Features of crediting of foreign states**

1. The budget loans to foreign states are provided from the republican budget, in accordance with the international treaties, ratified by the Republic of Kazakhstan.

2. The budget loans to foreign states are provided, in case of making the domestic procedures, necessary to give the binding force to the international treaty on the provision of the budget loan by a foreign state.

3. The procedure and conditions of budget crediting of a foreign state shall be established by the international treaty on the provision of budget loan.

The principal on the budget loans, provided to foreign states, forms the foreign debt to the Republic of Kazakhstan.

#### **Article 190. Use of a budget credit**

The borrower uses funds of a budget credit only for the purposes provided by the budget program and the loan agreement.

The final borrower uses means of a budget credit only on the purposes provided by the loan agreement according to the budget program and the budget legislation of the Republic of Kazakhstan.

In case of use of a budget credit on inappropriate appointment the borrower and the final borrower bear responsibility according to laws of the Republic of Kazakhstan and conditions of the loan agreement.

**Footnote. Article 190 in edition of the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); with the changes made by the Law of the Republic of Kazakhstan dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 191. The service of budget loan**

1. The service of budget loan is the activity of the authorized body for budget execution or an attorney (agent) to list the use of budget loan funds and implement by the borrower the payments for principal, interest and other payments in accordance with the conditions of the loan agreement.

The principal is the amount of the received and outstanding budget loan, excluding the accrued interest amounts on it, commission payments, forfeits (fines, penalties).

2. The service of the principal is the aggregate payments of remuneration and other payments in a specific period of time according to the conditions of the loan agreement

Debt (overdue debt) is the amount of the payments which are not made by the borrower which terms came according to the repayment schedule and service of a budget credit (loan agreement).

3. Accrual of remuneration is made at the rate of remuneration on the principal of the budget loan from the date of transfer of the budget loan from the account of the creditor before the date of its repayment in full.

4. The procedure for calculating the remuneration shall be established in the loan agreement.

360 days a year and 30 days in the month or the actual number of days elapsed in the partial month are taken into account for the accrual of remuneration.

At maturity, the borrower is obliged to make the regular payments of principal and interest by transferring money under the payment order to the appropriate budget.

5. In the formation of the debt, the service of budget loan is made in the following priority of payments:

- 1) the accrued forfeit (fines, penalties);
- 2) the accrued interest;
- 3) the repayment of the principal.

**Footnote. Article 191 with the change made by the Law of the Republic of Kazakhstan dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 192. Repayment of the budget loan**

1. Repayment of the budget loan is the repayment of the principal on the budget loan by the borrower, in accordance with the loan agreement and the legislation of the Republic of Kazakhstan.

2. The borrowers of the budget loan have the right to early repayment of the loan in agreement with the creditor or attorney (agent).

If the borrower violates the conditions of the loan agreement, the creditor or attorney (agent) in accordance with the contract of agency has the right to demand the early repayment of the loan.

The sale of shares of the financial agency, received a budget loan without collateral, is permitted in the case of the provision of the budget loan.

**2-1. Paragraph 2-1 was valid until 01.06.2015 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (the procedure for enforcement see Article 2).**

**2-2. Paragraph 2-2 was valid until 31.12.2016 in accordance with the Law of the Republic of Kazakhstan dated 07.04.2016 № 487-V.**

3. If the borrower has the debt on the budget loan, the creditor or attorney (agent), in accordance with the contract of agency, takes measures, to ensure the repayment of the loan in accordance with the legislation of the Republic of Kazakhstan.

4. The property collected on account of debt repayment on a budget credit is subject to implementation and (or) the address to state-owned property in the order determined by the central authorized body by budget implementation in coordination with the central authorized body on state planning.

5. Expenses for the assessment of property, which is being transferred into state ownership in repayment of a budget loan, shall be paid at the expense of the borrower.

6. At the address to state-owned property of property at early repayment or on account of debt repayment on a budget credit the size of requirements of the creditor decreases by the property significance amount.

7. If the local executive body has the debt for budget loan, allocated from the higher budget, the central or local authorized body for budget execution directs a written instruction to take the measures, provided in subparagraphs 4) of paragraphs 1 and 2 of Article 100 of this Code to the respective unit of the central authorized body for budget execution.

8. In case of default, untimely repayment of a budget credit the borrower and the final borrower bear responsibility according to laws of the Republic of Kazakhstan and conditions of the loan agreement.

**Footnote.** Article 192 with the changes made by laws of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); of 07.04.2016 No. 487-V (shall be enforced from the date of signing); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

## **Chapter 39. RESTRUCTURING OF THE BUDGET LOAN AND REPLACEMENT OF THE BORROWER**

### **Article 193. Restructuring of the budget loan**

1. Restructuring of the budget loan is the change of the terms, the financial and other conditions of the performance of their obligations by the agreement of the parties under the loan agreement.

2. The decision on the restructuring of the budget loan is made based on the analysis of the financial condition of the borrower, if the borrower has a plan to improve the financial situation.

3. Restructuring of a budget credit is performed by means of:

- 1) changes of repayment periods of a principal debt and (or) payment of remuneration;
- 2) changes of a rate of remuneration on a budget credit;

- 3) changes of the period of development during which the borrower can utilize a budget credit for implementation of actions according to the purposes of providing a budget credit;
- 4) changes of currency of a budget credit;
- 5) capitalization (summing) of debt on a budget credit, remuneration and other payments on the credit;
- 6) full or partial write-off of a penalty (fine, forfeit).

4. Restructuring of a budget loan is carried out by a decision of the central authorized budget execution body or the relevant local executive body on each loan agreement, subject to a positive conclusion of the consultative and advisory body under the central authorized budget execution body or local executive body.

5. Restructuring of a budgetary loan may be carried out no more than once, except for the case established by part two of this paragraph.

When a rehabilitation procedure is applied to a borrower in accordance with the legislation of the Republic of Kazakhstan, repeated restructuring of the borrower's budget loan, provided for by the rehabilitation plan, shall be allowed, but no more than once.

Restructuring of the budget loan is issued through the conclusion of a supplementary agreement to the loan agreement.

**Footnote. Article 193 with the changes made by laws of the Republic of Kazakstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of its first official publication); dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); No. 290-VI dated December 27, 2019 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 194. Translation of the debt on the budget loan**

The transfer of debt on a budget loan is allowed by agreement of the parties to the loan agreement based on the decision of the central authorized budget execution body or the relevant local executive body.

Transfer of debt can be made by the transfer of property, collected (proposed) to repay the debt on the budget loan.

**Footnote. Article 194 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

### **Chapter 40. LIMITATION OF ACTION, TERMINATION OF CLAIMS OF THE CREDITORS AND TERMINATION OF THE GUARANTEES ON THE BUDGET LOANS**

#### **Article 195. Limitation of action**

The limitation of action shall not apply to the creditors' claims on the budget loans.

## **Article 196. Termination of the creditor's claim for repayment of budget loan and termination of guarantees**

1. The creditor's claim to repay the budget loan is terminated in the proper performance of the obligations under the loan agreement by the borrower, in the case of coincidence of the borrower and the creditor in one person or the liquidation of the borrower-legal entity under the legislation of the Republic of Kazakhstan or on the basis of a judicial act.

2. The termination of requirements of the creditor for the public educational and student's credits in case of the death of the borrower or the announcement by his dead is performed according to the decision of the central authorized body on budget implementation on the basis of data of the attorney (agent).

3. In case of liquidation of the borrower-legal entity, the termination of the creditor's claim for repayment of the budget loan is carried out after making the preliminary procedures for the assessment of performance of the obligations, provided by the legislation of the Republic of Kazakhstan on:

1) the budget loans, granted from the republican budget on the basis of the Law on the republican budget;

2) the budget loans, granted from the local budget, based on the decision of maslikhat.

4. The debt of the liquidated borrowers specified in point 3 of this article and also the debt of borrowers on which requirements on the basis of the judgment which took legal effect about refusal in satisfaction or the partial satisfaction of the claim of the creditor are stopped is subject to write-off by the creditor.

5. Excluded by the Law of the Republic of Kazakhstan dated 02.07.2014 No. 225-V (shall be enforced after ten calendar days after day of his first official publication).

Footnote. Article 196, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 02.07.2014 No. 225-V ( shall be enforced after ten calendar days after day of its first official publication dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication)).

## **Chapter 41. CONTROL, MONITORING, ACCOUNTING OF THE BUDGET LOANS**

### **Article 197. Control for the budget loans**

1. The creditor and (or) the attorney (agent) exercise control of use of a budget credit on purpose and availability of ensuring obligation fulfillment on him in the order established by authorized body on budget implementation in coordination with authorized body on state planning.

2. In cases of the use of budget loan not for the intended purpose, the creditor or attorney ( agent) shall recover the improperly used amount of the loan from the borrower with the imposition of the fine in the amount, specified in the loan agreement.

Footnote. Article 197 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 198. Monitoring and accounting of the budget loans**

1. The budget loans are subject to the mandatory registration, accounting and monitoring in the manner prescribed by the central authorized body for budget execution.

The budget monitoring and evaluation of results are carried out for the budget loans in accordance with this Code.

2. The creditors maintain the registers of all the granted budget loans by the borrowers and attorneys (agents).

### **SECTION 12. THE STATE AND STATE-GUARANTEED BORROWING, DEBT, AND SURETY OF THE STATE**

#### **Chapter 42. GENERAL PROVISIONS ON THE STATE AND STATE-GUARANTEED BORROWING, DEBT, AND SURETY OF THE STATE**

#### **Article 199. General provisions on borrowing**

1. The loan by the Government of the Republic of Kazakhstan, local executive bodies and also offices of akims of the cities of district significance, villages, settlements, rural districts guaranteed by the state loan are performed according to the budget legislation of the Republic of Kazakhstan.

Loan by National Bank of the Republic of Kazakhstan is performed according to the Law of the Republic of Kazakhstan “ On National Bank of the Republic of Kazakhstan”.

2. Loan by the Government of the Republic of Kazakhstan, local executive bodies and also offices of akims of the cities of district significance, villages, settlements, rural districts and National Bank of the Republic of Kazakhstan is the state loan.

3. Non-state loan is performed by residents of the Republic of Kazakhstan independently in any sizes, currencies and forms taking into account the restrictions set by the legislation of the Republic of Kazakhstan.

Non-state loans can be attracted by legal entities under the state guarantees and guarantees of the state.

Attraction of external loans of the quasi-public sector is performed through approval of their volumes of the Government of the Republic of Kazakhstan according to the offer of the central authorized body on state planning.

The order of coordinating the amount of external loans of the quasi-public sector shall be established by the central authorized state planning body together with the central authorized budget execution body.

Monitoring and control of external and internal loans of the quasi-public sector are performed by the central authorized body on budget implementation in the order determined by the Government of the Republic of Kazakhstan.

4. To the legal entities, with the right to operational management of assets, carry out the non-government borrowing is prohibited.

Footnote. Article 199 with the changes made by laws of the Republic of Kazakhstan dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of his first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 200. Types and forms of the state loans**

1. The state loans in relation to the borrower are divided into:
  - 1) the loans of the Government of the Republic of Kazakhstan;
  - 2) the loans of the National Bank of the Republic of Kazakhstan;
  - 3) loans of local executive bodies and offices of akims of the cities of district significance, villages, settlements, rural districts.
2. The state loans on the capital market are divided into:
  - 1) the external state loans;
  - 2) the domestic state loans.
3. The state loans by the shape of the borrowing are divided into:
  - 1) the issuance of the state securities;
  - 2) the conclusion of the loan agreements.
4. The state securities according to the validity period, are divided into:
  - 1) the short-term with maturities of up to one year;
  - 2) the medium-term with maturities from 1 year to 5 years;
  - 3) the long-term with a maturity of over 5 years.
5. The state securities for purposes of production are divided into:
  - 1) issued to finance the budget deficit;
  - 2) issued to promote the development of domestic debt market.

The state securities may be issued in the certificated and no certificated form. The state securities to the bearer may be issued only in the certificated form. The state securities may be issued at nominal and present value with the fixed and non-fixed (floating) rates of remuneration.

Footnote. Article 200 with the change made by the Law of the Republic of Kazakhsatn dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 201. State debt**

1. State debt is the sum for a certain date of the received (mastered) and outstanding state loans, and debt obligations to a certain date, classified in accordance with the legislative acts of the Republic of Kazakhstan as the debt of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan or by the decisions of maslikhats as the debt of the local executive bodies, without taking into account the mutual claims.

2. State debt includes the domestic and external state debt.

3. Domestic state debt is an integral part of the state debt on the internal state loans and other debt obligations of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and the local executive bodies to the residents of the Republic of Kazakhstan.

4. External public debt is an integral part of the public debt on external public loans and other debt obligations of the Government of the Republic of Kazakhstan, the local executive body of the city of republican scale with a special status, determined by the legislative act of the Republic of Kazakhstan, and the National Bank of the Republic of Kazakhstan to non-residents of the Republic of Kazakhstan.

**Footnote. Article 201 as amended by the Law of the Republic of Kazakhstan dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).**

**Article 202. The obligations of the Government of the Republic of Kazakhstan and the local executive bodies for the repayment and servicing of the state debt**

1. The Government of the Republic of Kazakhstan is liable for repayment and servicing of the state debt, which are provided by means of the republican budget.

2. The local executive bodies are liable for repayment and servicing of its debt, which are provided by means of the local budgets.

Local executive bodies shall not assume obligations for third parties in any type and in any form on providing financial support to legal entities for their debt obligations.

3. The Government of the Republic of Kazakhstan and the local executive bodies are not liable for the obligations of each other.

4. The obligations of the Government of the Republic of Kazakhstan and the local executive bodies are considered as fulfilled upon return of principal to the creditor and payment of the full amount of debt service payments.

5. The Government of the Republic of Kazakhstan and the local executive bodies shall monitor the state debt and the debt of the local executive bodies through the implementation of accounting, analysis and monitoring of the process of formation, change and service of the debt.

**Footnote. Article 202 as amended by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

**Article 203. The management of the state and state-guaranteed debt, the debt on the state surety ship and the risks**

1. The management of the state and state guaranteed debt, the debt on the state surety ship and the risks include:

1) the annual assessment of the status and forecast for the upcoming planning period of the state and state guaranteed borrowing and debt, the debt on the state surety ship with the definition of indicators in it, in accordance with what the amounts of repayment and servicing

, the limits of government debt and the debt of the local executive bodies, provision of the state guarantees and the surety ship of the state are established.

The preparation of the annual assessment of the status and forecast for the upcoming planning period of the state and state guaranteed borrowing and debt, the debt on the state surety ship are carried out by the central authorized body for budget execution and the National Bank of the Republic of Kazakhstan with the participation of the central authorized body for state planning on the basis of the amount and the structure of the accumulated state and state guaranteed debt, the debt on the state surety ship;

2) determination by the central authorized state planning body of the government debt limit, limits for the provision of state guarantees and warranties of the state, approved in the law on the republican budget, and debt limits of local executive bodies, approved by the central authorized state planning body in agreement with the central authorized budget execution body, in the manner established by the central authorized state planning body;

3) the identification of the amounts, forms and conditions of borrowing by the Government of the Republic of Kazakhstan, the amounts of repayment and servicing of government debt, approved in the republican budget for the financial year by the central authorized body for budget execution,;

4) implementation by the central authorized body on budget implementation of registration and accounting of state loans in the order determined by the Government of the Republic of Kazakhstan, and the requirements connected with execution by the state of obligations for his guarantees and guarantees, monitoring of the receiving, use, repayment and service of state loans and a public debt guaranteed by the state of a debt and debt according to guarantees of the state and also the requirements of the state which arose in connection with execution by the state of obligations for his guarantees and guarantees;

5) the preparation and implementation of measures to optimize the debt structure and its service, including on the early repayment of debt, purchase and sale of the state securities on the organized securities market by the issuer, the restructuring of the state and state guaranteed debt, the debt on the state surety ship, the debt refinancing, the risk management of the state and state guaranteed borrowing and debt, the debt on the state surety ship and the debt to the state;

6) the risk management of the state debt, the state guaranteed debt, the debt under the state surety ship and the debt to the state includes their detection, identification, assessment and mitigation with the use of methods for regulating of procedures and operations by the central authorized body for budget execution, compliance with the established limits and requirements, diversification of instruments and markets, the use of various derivative financial instruments (options, swaps, forwards, futures and other transactions that are used in the market for the purposes of risk management), as well as the timely response and taking the necessary measures in debt management of legal entities, whose debt obligations to third parties are provided by the state guarantees and sureties.

Financial borders of loan by the Government of the Republic of Kazakhstan are defined on the basis of the parameters provided by subparagraphs 2) and 3) of part one of this point.

2. Risk management of the public debt guaranteed by the state of a debt of a debt according to guarantees of the state and a debt to the state is performed in the order determined by the central authorized body by budget implementation.

3. excluded by the Law of the Republic of Kazakhstan dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).

Footnote. Article 203, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 204. Publication of information on the status of the state and state guaranteed debt, the debt under the state surety ship**

The information on the current status of the state debt of the Republic of Kazakhstan, to the amount of money, paid for repayment of the state debt, issued state guarantees and surety ship of the state, and the amounts of money, paid under the guarantees and surety ship is open and subject to the official quarterly publication by the central authorized body for budget execution in the form of statistical information.

Footnote. Article 204, as amended by the Law of the Republic of Kazakhstan dated 19.03.2010 No. 258-IV.

### **Chapter 43. BORROWING OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN**

#### **Article 205. The objectives of borrowing by the Government of the Republic of Kazakhstan**

Borrowing by the Government of the Republic of Kazakhstan is carried out:

- 1) to finance the deficit of the republican budget;
- 2) to promote the development of the domestic debt market.

In a budget surplus, the Government of the Republic of Kazakhstan can borrow to refinance the government debt.

#### **Article 206. Borrowing of the Government of the Republic of Kazakhstan**

1. Borrowing of the Government of the Republic of Kazakhstan is based on:

- 1) the establishing the objectives and financial limits of borrowing;
- 2) the determination of borrowing priorities;
- 3) the formation of the list of alleged government loans.

2. Involvement of loans on behalf of the Government of the Republic of Kazakhstan by signing of the contract of a loan and also use of means of a loan are performed in the order determined by the central authorized body by budget implementation.

The order of planning and implementation of the institutional projects realized due to attraction of state loans is determined by the central authorized body by budget implementation in coordination with the central authorized body on state planning.

2-1. The procedure for reporting on state external loans and co-financing from the republican budget shall be determined by the Government of the Republic of Kazakhstan.

2-2. Responsibility for non-disbursement of loan funds within the period established by the loan agreement, in accordance with the laws of the Republic of Kazakhstan, shall be borne by the head of the budget program administrator accountable for the implementation of the budget investment project or institutional project financed from the loan funds.

3. An issuer of the government issued securities of the Government of the Republic of Kazakhstan is the central authorized body on budget implementation, and at issue of the government Islamic securities by the issuer the state Islamic special finance company is. Volumes, terms and conditions of each issue of the government issued securities are determined by the central authorized body by budget implementation.

3-1. The Government of the Republic of Kazakhstan issues the state securities in the form of the state treasury bills or the state Islamic securities.

The state treasury bill is the state security, certifying the rights of the holder in respect of the loan, in which the borrower is the Government of the Republic of Kazakhstan.

The government Islamic security is the government issue security certifying the rights of her holder to income generation from use of assets on the basis of the lease agreement.

The state Islamic security is issued by the decision of the Government of the Republic of Kazakhstan in accordance with the basic principles of Islamic finance, established in accordance with the legislation of the Republic of Kazakhstan on the securities market.

At issue of the government Islamic securities the central authorized body on budget implementation performs attraction of financing on behalf of the Government of the Republic of Kazakhstan through the state Islamic special finance company created according to the decision of the Government of the Republic of Kazakhstan by authorized body on a state-owned property.

3-2. Issue, placement, handling, servicing and repayment of the state treasury bills, issued by the Government of the Republic of Kazakhstan in the domestic market, shall be in the order, established by the Government of the Republic of Kazakhstan.

4. To promote the development of the domestic debt market, the government domestic borrowing is carried out taking into account the formation of the optimal level of the government borrowing, debt, costs for its maintenance and risk.

The issue of the state securities with the necessary structure to handle for the establishment of an appropriate reference point in the stock market for the construction of the

yield curve shall be carried out at a stable level on the originally planned amount and schedule, regardless of the actual performance of the budget, except the cases, when the change of the market conditions, the authorized body for budget execution cannot borrow at reasonable terms.

5. The issue of the government issued securities connected with placement in foreign market of a lending capital is performed according to the decision of the Government of the Republic of Kazakhstan. At the same time on the legal relationship connected with purchase of goods of works, services in connection with the decision of the Government of the Republic of Kazakhstan on issue of the government issued securities and also purchase or change of conditions of earlier issued government issued securities and implementation of other actions concerning the issued and (or) earlier issued government issued securities, the legislation of the Republic of Kazakhstan on public procurements does not extend.

**Footnote. Article 206, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 22.07.2011 No. 475-IV ( shall be enforced from the date of its first publication); dated 24.11.2015 No. 422-V (shall be enforced dated 01.01.2016); dated 04.12.2015 No. 435-V (shall be enforced dated 01.01.2016 ); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 207. Limitations of borrowing of the Government of the Republic of Kazakhstan**

The state borrowing by the Government of the Republic of Kazakhstan is limited by the limit of the government debt and the amount of the budget funds, devoted to service the government debt, established in the Law on the republican budget.

#### **Article 208. Repayment and service of debt of the Government of the Republic of Kazakhstan**

Repayment and service of debt of the Government of the Republic of Kazakhstan, buying the state securities issued by them on the organized securities market are carried out by the central authorized body for budget execution at the expense of the budget funds, provided in the Law on the republican budget, through the National Bank of the Republic of Kazakhstan in the manner, determined by the Government of the Republic of Kazakhstan.

### **Chapter 44. BORROWING OF THE LOCAL EXECUTIVE BODIES**

#### **Article 209. The objectives of borrowing by the local executive bodies**

1. Borrowing by local executive bodies of regions, cities of republican status, the capital shall be in the form of obtaining budget loans from the republican budget and issuance by local executive bodies of cities of republican status, the capital of government securities for circulation on the domestic market to finance the budget deficit of the city of republican status, the capital, in the form of issuance by local executive bodies of regions, cities of republican status, the capital of government securities for circulation on the domestic market to finance housing construction as part of the implementation of state programs, concepts for

the development of the industry (branch), national projects, to finance in the prescribed manner certain measures to promote employment, in the form of issuance by the local executive body of the city of republican scale with a special status, determined by the legislative act of the Republic of Kazakhstan, of government securities in national currency for circulation at the Astana International Financial Center, as well as borrowing from international financial organizations in national currency for financing of "green" projects within the implementation of the sustainable development goals.

2. Loan of areas by local executive bodies (the cities of regional significance) is performed in the form of receiving loans from local executive body of area for deficit financing district (the cities of regional significance) the budget.

Loan by offices of akims of the cities of district significance, villages, settlements, rural districts is performed in the form of receiving loans from local executive body of the area (the city of regional significance) for deficit financing of the corresponding local budget.

**Footnote. Article 209 with the changes made by laws of the Republic of Kazakhstan dated 07.04.2016 No. 487-V (shall be enforced from the date of signing); dated 11.07.2017 No. 90-VI (shall be enforced after ten calendar days after day of its first official publication); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication); dated 03.07.2020 No. 359-VI (shall be enforced ten calendar days after the day of its first official publication); dated 25.12.2020 No. 391-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.12.2020 No. 397-VI (shall be enforced from 01.01. 2021); dated 31.12.2021 No. 100 (shall be enforced ten calendar days after the date of its first official publication); dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 210. Limitations of borrowing of the local executive bodies**

1. The state borrowing by local executive body of the region, the city of republican significance and the capital is limited to the established debt limit of the relevant local executive body and the amount of the local budget funds, allocated for repayment and debt service of the relevant local executive body.

2. The debt limit of the local executive body for the relevant financial year is established by the central authorized body for state planning in agreement with the authorized body for budget execution, taking into account the amount necessary to finance certain measures to promote employment in the prescribed manner .

3. Spending on the repayment and debt service of the local executive body should not exceed an amount equal to ten percent of the income of the local budget for the financial year.

**Footnote. Article 210 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 03.07.2020 No. 359-VI (shall be enforced ten calendar days after the day of its first official publication); dated 30.12. 2020 No. 397-VI (shall be enforced from 01.01.2021).**

## **Article 211. Repayment and debt servicing of local executive bodies**

Repayment and debt servicing of local executive bodies are performed by them at the expense of the means provided in local budgets, in the order determined by the central authorized body by budget implementation.

**Footnote. Article 211 in edition of the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication).**

## **Article 212. Release of government securities by local executive bodies of areas, cities of republican significance, and the capital**

**Footnote. Article 212 heading with the change made by the Law of the Republic of Kazakhstan dated 07.04.2016 No. 487-V (shall be enforced from the date of signing).**

1. The issue of securities for circulation on the domestic market by the local executive body of the region, the city of republican scale, the capital shall be carried out in the manner established by the central authorized budget execution body.

1-1. Issuing of government securities in national currency for circulation on the site of the "Astana" International Financial Center by the local executive body of the city of republican scale with a special status, determined by the legislative act of the Republic of Kazakhstan, to finance "green" projects within the implementation of sustainable development goals shall be carried out in the order established by Government of the Republic of Kazakhstan.

2. Conditions, volume and purpose of release of government securities by local executive body of area, city of republican significance, the capital are determined by the central authorized body by budget implementation. At the same time the total volume of the state loan of local executive bodies should not exceed the set limit of a debt of the relevant local executive body.

3. Debt repayment of local executive body of area, city of republican significance, the capital on issued government securities is performed without fail in the time established by obligations.

**Footnote. Article 212 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 07.04.2016 No. 487-V (shall be enforced from the date of signing) ; dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

## **Article 212-1. Borrowing by the local executive body of the city of republican scale with a special status, determined by the legislative act of the Republic of Kazakhstan, from international financial organizations to finance "green" projects in the framework of sustainable development goals implementation**

1. Borrowing by a local executive body of a city of republican scale with a special status, determined by a legislative act of the Republic of Kazakhstan, from international financial

organizations to finance "green" projects within the framework of sustainable development goals implementation shall be carried out in the order established by the central authorized budget execution body.

2. The conditions, amount and purpose of external state loans of the local executive body of the city of republican scale with a special status, established by a legislative act of the Republic of Kazakhstan, shall be determined in coordination with the central authorized budget execution body.

3. Borrowing by the local executive body of the city of republican scale with a special status determined by a legislative act of the Republic of Kazakhstan shall be carried out by concluding a loan agreement with an international financial organization to finance "green" projects as part of the implementation of sustainable development goals within the established debt limit of the relevant local executive body.

4. Repayment of the debt of the local executive body of the city of republican scale with a special status, determined by the legislative act of the Republic of Kazakhstan, under loan agreements shall be carried out bindingly within the term set by the loan agreements.

**Footnote. Chapter 44 shall be supplemented by Article 212-1 pursuant to the Law of the Republic of Kazakhstan dated 01.01.2023 No. 182-VII (shall be enforced ten calendar days after the date of its first official publication).**

## **Chapter 45. THE STATE GUARANTEED BORROWING AND DEBT**

### **Article 213. The state guarantee**

1. The state (government, sovereign) guarantee of the Republic of Kazakhstan (the state guarantee) is the obligation of the Government of the Republic of Kazakhstan to the lender to repay fully or in part the debt, in case of nonpayment the required amount by the borrower-resident of the Republic of Kazakhstan on time.

2. The state guarantees are provided to lenders as security for performance of the obligations by the residents of the Republic of Kazakhstan in respect of their non-state loans.

With the state guarantee it can be provided complete or a part of the amount of a non-state loan.

3. The Government of the Republic of Kazakhstan has the exclusive right to provide the state guarantees on behalf of the Republic of Kazakhstan on the loans.

At the request of the Government of the Republic of Kazakhstan the central authorized body on budget implementation performs providing the state guarantees on conditions and as it should be, determined by the central authorized body by budget implementation.

**Footnote. Article 213 with the change made by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced after ten calendar days after day of its first official publication); dated 07.04.2016 No. 487-V (shall be enforced from the date of signing)**

### **Article 214. Limitations for providing the state guarantees**

1. The state guarantees are provided within the limits, set by the Law on the republican budget.

1-1. According to investment projects and (or) investment programs with implementation term more than one year providing the state guarantee potranshevy (in parts) with signing of the general agreement is allowed.

In implementation of the general agreement the agreement of a guarantee is signed or changes are made to the signed agreement of a guarantee within the amount of the state guarantee defined in the general agreement.

2. The state guarantees cannot be provided as collateral repayment for the loans of the local executive bodies.

3. The limit for providing the state guarantees can only be used within the financial year, for which this limit is set.

**Footnote. Article 214 with the change made by the Law of the Republic of Kazakhstan dated 07.04.2016 No. 487-V (shall be enforced from the date of signing).**

#### **Article 215. The conditions for providing the state guarantees**

1. The state guarantees are provided on the basis of the resolutions of the Government of the Republic of Kazakhstan.

2. The provision of the state guarantees is subject to repayment of budget funds by the borrower, spending by the Government of the Republic of Kazakhstan in the performance of the obligations of the guarantor, in accordance with Article 220 of this Code.

3. For the provision of a state guarantee for a non-state loan, the borrower is charged a preliminary one-time fee (fee) in the amount of 0.2 percent of the amount of the state guarantee for legal entities that have a wholly owned state participation in the authorized capital at the time of granting the state guarantee, as well as for the national manager holding and legal entities, one hundred percent of whose shares are owned by the national managing holding, and in the amount of two percent of the amount of the state guarantee for other legal entities, with the exception of National operator in the field of health care, National operator for the management of highways and a company that manages the transport infrastructure facilities of the capital, an authorized organization for the import of goods (products) for military purposes, goods (products) of dual use (application), military works and services for military purposes, intended for the needs of defense, security and law enforcement, and other subjects of the quasi-public sector in the implementation of socially significant investment projects and (or) investment programs, for which one of the sources of repayment of a non-state loan under a state guarantee is payments (payments) from the republican and local budgets, for the implementation of investment projects, the list of which is determined by the central authorized body for state planning together with the central authorized body for budget execution.

4. The provision of the state guarantees is made after recording and registration of the agreement on granting the state guarantees and the documents, confirming the enforcement of

return of the funds, allocated from the state budget, in connection with the performance of the obligations of the Government of the Republic of Kazakhstan for the state guarantee.

The agreement to provide the state guarantee is an agreement between the central authorized body for budget execution, the attorney (agent) and the borrower on the state guaranteed loan, establishing the relationship of the parties for the provision of the state guarantees, enforcement of obligations under the loan agreement, guaranteed by the state, return of the republican budget funds, taken in the case of performance of obligations under the state guarantee.

**Footnote. Article 215, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.10.2015 No. 363-V (shall be enforced after ten calendar days after day of its first official publication); dated 07.04.2016 No. 487-V (shall be enforced from the date of signing); dated 18.03.2019 № 237-VI (shall be enforced upon expiry of twenty one calendar days after its first official publication); dated 07.07.2020 No. 361-VI (shall be enforced ten calendar days after the day of its first official publication).**

#### **Article 216. The requirements for persons applying for the state guarantees**

For legal entities, applying for the state guarantees on loans, in which these entities act as borrowers, the following requirements shall be applied:

- 1) to be a resident of the Republic of Kazakhstan, carrying out the business activities;
- 2) to enable project implementation and (or) the investment programs included in the list of the investment projects and (or) investment programs offered to financing at the expense of means of non-state loans under the state guarantees for the corresponding period approved by the decision of the Government of the Republic of Kazakhstan;
- 3) have a guarantee of a second-tier bank or an insurance contract that meets the requirements for ensuring the repayment of loans, established by the central authorized body for budget execution in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations , with the exception of National operator in the field of health care, National operator for the management of highways and a company that manages the transport infrastructure of the capital, for the implementation of investment projects, the list of which is determined in accordance with paragraph 3 of Article 215 of this Code, as well as national management holdings and their subsidiaries for the implementation of projects that provide financing for second-tier banks, or projects aimed at improving the living conditions of citizens in accordance with the legislation of the Republic of Kazakhstan on housing construction savings.

The guarantee of bank is provided once on all duration of the agreement of a loan and covers the amount of a principal debt and also all amounts of remunerations, the commissions , penalties (a penalty fee, a penalty) and other payments made by the borrower according to the loan agreement.

The insurance contract has to provide risks insurance on the project which can lead to a default of the borrower and accomplishment by the state of obligations for the state guarantee;

4) have a positive opinion of the sectorial authorized body;

5) have a positive opinion of the central authorized body for budget execution;

6) have a positive opinion of the central authorized body for state planning;

7) does not have a debt to repay and service the previously received state-guaranteed loans, the payment deadlines of which have come, as well as other overdue payments to creditors;

8) provide the obligations for co-financing of the investment project in the case of involving the loan, which does not cover the total cost of the project;

9) have equity capital of at least thirty percent in relation to the cost of the proposed investment project, with the exception of National operator in the field of health care, National operator for the management of highways and a company that manages the transport infrastructure facilities of the capital, for the implementation of investment projects, the list of which is determined in accordance with paragraph 3 of Article 215 of this Code;

10) to be solvent, will not be subject to liquidation, its assets will not be seized, its financial and business operations should not be suspended in accordance with the legislation of the Republic of Kazakhstan.

11) the requirements of subparagraphs 3) and 9) of this Article shall not apply to the subjects of quasi-public sector in the implementation of socially significant investment projects and (or) investment programs, the import of goods (products) for military purposes, goods (products) of dual-use (application), works for military purposes and services for military purposes intended for the needs of defense, security and law enforcement, according to which one of the sources of repayment of a non-state loan under the state guarantee shall be payoffs (payments) from the republican and local budgets, the list of which shall be determined by the authorized body for state planning together with the authorized body for budget execution.

**Footnote. Article 216, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 05.07.2012 No. 30-V ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 27.10.2015 No. 363-V (shall be enforced after ten calendar days after day of its first official publication); date 07.04.2016 No. 487-V (shall be enforced from the date of signing); dated 30.11.2016 No. 26-VI (shall be enforced from 01.01.2017); dated 18.03.2019 № 237-VI ( shall be enforced upon expiry of twenty one calendar days after its first official publication); No. 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020); dated 03.07.2020 No. 359 -VI (shall be enforced ten calendar days after the day of its first official publication); dated 07.07.2020 No. 361-VI (shall be enforced ten calendar days after the day of its first official publication).**

## **Article 217. Selection of investment projects and (or) investment programs for providing the state guarantees**

**Footnote. Article 217 heading with the change made by the Law of the Republic of Kazakhstan dated 07.04.2016 No. 487-V (shall be enforced from the date of signing).**

1. Selection of investment projects and (or) investment programs for providing the state guarantees is performed by the central authorized body on state planning in the order determined by the central authorized body by budget implementation.

2. The requirements for the development or economic expertise of the feasibility study on the investment projects for provision of the state guarantees are established by the central authorized body for state planning.

3. The economic expertise of investment projects for provision of the state guarantees is carried out by the legal entity, established by the Government of the Republic of Kazakhstan.

**Footnote. Article 217, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); with the changes made by the Law of the Republic of Kazakhstan dated 31.10.2015 No. 380-V (shall be enforced after ten calendar days after day of its first official publication); dated 07.04.2016 No. 487-V (shall be enforced from the date of signing).**

## **Article 218. The form of the state guarantee**

1. The state guarantee is provided through the conclusion of a written indemnity contract between the central authorized body for budget execution and the money-lender (the representative of bondholders) or a written notification on the assumption of the guarantor's obligations for the non-government debt (warranty) by the central authorized body for budget execution.

In the presence of the indemnity contract on the non-state foreign loans, the central authorized body for budget execution shall have the right to avalize the borrower's bills in the manner established by the legislative acts of the Republic of Kazakhstan.

As the state guarantee can only be recognized a document that meets the requirements of this Article. Other acts and documents of the state bodies and their officials do not have the force of the state guarantee.

2. The general agreement, the agreement of a guarantee, the warranty according to each investment project and (or) an investment program, an aval according to each obligation of the borrower are signed by the first head of the central authorized body on budget implementation.

3. The contract of indemnity or warranty liabilities, shall include:

- 1) the details of the resolution of the Government of the Republic of Kazakhstan, according to which the state guarantee is provided;
- 2) the name and address of the borrower;
- 3) the content of the principal obligation of the borrower;

4) the guaranteed amount of loan, other guaranteed obligations under the loan covered by the provided state guarantee;

5) the period of validity of the state guarantee;

6) the official, who signed the contract of indemnity (warranty liabilities).

4. In the absence of conditions in the contract of indemnity, warranty liabilities, provided in subparagraphs 4) and 5) of paragraph 3 of this Article, it is assumed that:

1) the state guarantee ensures the implementation of all the debtor's obligations under the loan;

2) the state guarantee is granted for the duration of the loan agreement.

5. The state guarantee shall be void in the absence of the requirement in the contract of indemnity and warranty liabilities, provided in subparagraph 1) of paragraph 3 of this Article, or their signature, as well as avalizing of the borrower's obligations by the unauthorized person in violation of paragraph 2 of this Article.

**Footnote. Article 218 with the changes made by the Law of the Republic of Kazakhstan dated 07.04.2016 No. 487-V (shall be enforced from the date of signing).**

#### **Article 219. Accounting for provision of the state guarantees and the state guaranteed loans**

The provided state guarantees and the state guaranteed loans must be registered and accounted in the central authorized body for budget execution in the manner, prescribed by the Government of the Republic of Kazakhstan.

The central authorized body for budget execution monitors the state guaranteed debt and manages it.

Monitoring of the financial condition of the borrower, who received the state guaranteed loan, is carried out according to the procedure, established by the Government of the Republic of Kazakhstan.

#### **Article 220. Execution of the state guarantee**

Unless otherwise provided by the conditions of the loan agreement, the state guarantee shall be executed after the due date at the request of the money-lender, in case if the state guarantees loan is not repaid by the borrower fully or in part on the date of maturity and within the funds, provided by the Law on the republican budget.

Obligation fulfillment on the state guarantee is performed within eighteen months from the date of presentation of requirements for obligation fulfillment on the state guarantee within the means provided by the law on the republican budget.

Articles 191 - 196 of this Code shall be applied to return the funds, aimed at the fulfillment of obligations under the state guarantee, loan restructuring, replacement of the debtor, limitation period, termination of the requirements to repay these funds.

The funds, allocated for the fulfillment of obligations under the state guarantee shall be returned to the republican budget for the period, specified in the agreement on the provision of the state guarantee for the rate of interest, determined in accordance with Article 184 of this Code.

The government of the Republic of Kazakhstan has the right to perform in accordance with the terms loan agreements and with the consent of the creditor early repayment of the loan guaranteed by the state for the borrower declared bankrupt and (or) liquidated according to the legislation of the Republic of Kazakhstan by means of execution of the state guarantee at the expense of the means provided in the law on the republican budget.

The central authorized body on budget implementation keeps account of borrowers on the loans guaranteed by the state, expenses on repayment and which service are provided in the law on the republican budget.

**Footnote. Article 220 with the changes made by laws of the Republic of Kazakhstan dated 12.11.2015 No. 395-V (shall be enforced after ten calendar days after day of its first official publication); dated 07.04.2016 No. 487-V (shall be enforced from the date of signing); dated 30.11.2017 No. 112-VI (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 221. The restructuring of the state-guaranteed loans**

1. The restructuring of the state-guaranteed loan is made under the agreement of the money-lender and the borrower in the event of the decision of the Government of the Republic of Kazakhstan.

2. In the restructuring of the state-guaranteed loan, the previously issued state guarantee can be confirmed by the Government of the Republic of Kazakhstan or replaced by a new one at the request of the money-lender.

3. The guaranteed amount of the loan may not exceed the amount of the loan on the previously issued state guarantee.

The restrictions, specified in paragraph 1 of Article 214 of this Code shall not be applied to the newly issued state guarantee.

#### **Article 222. Replacing the borrower of the state guaranteed loan**

1. Replacing the borrower on the state guaranteed loan is allowed by the agreement of the parties of the loan agreement, in case of the decision of the Government of the Republic of Kazakhstan.

2. In the case of replacement of the borrower under the state guaranteed loan, the state guarantee may be replaced by a new or confirmed by the central authority body for budget execution at the request of the money-lender on the basis of the decision of the Government of the Republic of Kazakhstan.

3. The guaranteed amount of the loan may not exceed the amount of the loan on the previously granted state guarantee. The restrictions specified in paragraph 1 of Article 214 of this Code shall not be applied to the newly issued state guarantee.

#### **Article 223. The grounds for termination of the state guarantee**

The state guarantee is terminated in the following cases:

1) the complete fulfillment of obligations by the borrower or guarantor on the loan, guaranteed by the Government of the Republic of Kazakhstan;

2) the expiration of the guarantee period, specified in the contract of indemnity (warranty liabilities), if it is not otherwise specified;

3) the guarantees, specifically stipulated in the loan agreement and (or) in the contract of indemnity (warranty liabilities);

4) the replacement of guarantee for the new guarantee in the restructuring, and (or) the replacement of the borrower under the state guaranteed loan.

#### **Article 224. The restrictions on the use of the state-guaranteed loan funds**

The use of state-guaranteed loan funds for purposes, not provided by the conditions of the loan, as well as crediting of the state institutions are prohibited.

#### **Article 225. The control and responsibility for the use of the state-guaranteed loan funds**

The use of the state-guaranteed loan funds is controlled in the manner, prescribed by the Government of the Republic of Kazakhstan.

The borrower on the loan, having the state guarantee, shall be liable under the legislative acts of the Republic of Kazakhstan for the inappropriate use of funds received on the loan, guaranteed by the Government of the Republic of Kazakhstan, and for the repayment of funds, taken on the fulfillment of obligations under the state guarantee, in the event of non-fulfillment of the debt obligations on the loan by the borrower.

#### **Chapter 45-1. State guaranteeing on the support of export**

**Footnote.** The Law is supplemented by chapter 45-1 in accordance with the Law of the Republic of Kazakhstan dated 03.04.2019 № 243-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 225-1. State guarantee for the support of export**

1. The state (government, sovereign) guarantee of the Republic of Kazakhstan (state guarantee) for export support is the obligation of the Government of the Republic of Kazakhstan to the Export Credit Agency of Kazakhstan in accordance with the terms of the guarantee agreement for export support to fully or partially repay its debt and guarantee payments.

2. The Government of the Republic of Kazakhstan shall have the exclusive right to provide state guarantees to support exports on behalf of the Republic of Kazakhstan.

3. On behalf of the Government of the Republic of Kazakhstan, the central authorized body for budget execution shall carry out provision of state guarantees for export support on the terms and in the manner determined by the central authorized body for budget execution in coordination with the central authorized body for state planning.

4. The requirements for the development or correction of conclusion of the central authorized body on state planning for the provision of state guarantees for export support shall be established by the central authorized body for state planning in coordination with the central authorized body for budget execution and the central authorized body for budget planning.

Footnote. Article 225-1 as amended by the Law of the Republic of Kazakhstan dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

**Article 225-2. Conditions for the provision of state guarantees for export support**

1. The state guarantee for export support shall be provided on the basis of the decree of the Government of the Republic of Kazakhstan.

2. The state guarantee for export support shall be provided within the limit established by the Law on the republican budget.

The amount for determining the limit for the provision of a state guarantee on export support shall be established by the central authorized state planning body.

3. A state guarantee to support exports is provided on the basis of repayment by the Export Credit Agency of Kazakhstan of budget funds spent by the Government of the Republic of Kazakhstan, on the basis of Article 225-6 of this Code.

4. For the provision of a state guarantee for export support, the Export Credit Agency of Kazakhstan is charged a preliminary one-time fee (fee) in the amount of 0.2 percent of the amount of the state guarantee for export support.

5. Provision of the state guarantee shall be carried out after registration of the agreement on provision of the state guarantee.

6. The agreement on the provision of a state guarantee for export support is an agreement between the central authorized body for budget execution, the attorney (agent) and the Export Credit Agency of Kazakhstan, establishing the legal relations of the parties for the provision of a state guarantee for export support, the return of funds from the republican budget diverted in the event of fulfillment of obligations under the state guarantee to support exports.

7. If the Export Credit Agency of Kazakhstan fails to fulfill its obligations to repay the debt on previously diverted funds from the republican budget within the framework of the current state guarantee for export support, the provision of subsequent amounts from the republican budget for it is not allowed.

Footnote. Article 225-2 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

**Article 225-3. Requirements for the person applying for a state guarantee on export support**

A person applying for a state guarantee on export support must meet the following requirements:

- 1) be the Export Credit Agency of Kazakhstan;
- 2) have a positive conclusion of the authorized body in the field of regulation of foreign trade activities;
- 3) to have a positive conclusion of the central authorized body for state planning;

4) to be solvent, not subject to liquidation, its property shall not be seized, its financial and economic activity shall not be suspended in accordance with the legislation of the Republic of Kazakhstan;

5) not to have debts on repayment and servicing of previously issued state guarantees and not to have overdue debts to creditors;

6) the volume of actual insurance and guarantee payments made should not exceed 40 (forty) percent of the equity capital for the period of validity of state guarantees to support exports. In this case, the amount of insurance and guarantee payments is indicated minus the amount of insurance and guarantee payments that are reimbursed within the framework of subrogation, reinsurance and guarantee.

**Footnote. Article 225-3 as amended by the Law of the Republic of Kazakhstan dated 25.06.2020 № 347-VI (shall be enforced ten calendar days after the day of its first official publication); dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).**

#### **Article 225-4. The form of state guarantees for export support**

1. The state guarantee for export support is provided by concluding a written guarantee agreement for export support between the central authorized body for budget execution and the Export Credit Agency of Kazakhstan.

Only a document that meets the requirements of this article can be recognized as a state guarantee for export support. Other acts and documents of government bodies and their officials do not have legal force to provide a state guarantee to support exports.

2. The guarantee contract shall be signed by the first head of the central authorized body for budget execution.

3. The contract of guarantee shall specify:

1) details of the resolution of the Government of the Republic of Kazakhstan, according to which the state guarantee for export support is provided;

2) name and location of the Export Credit Agency of Kazakhstan;

3) the content of the main obligation of the Export Credit Agency of Kazakhstan;

4) the amount of the state guarantee for export support;

5) the validity of the state guarantee for export support;

6) officials who have signed the contract on export support guarantee (guarantee obligation).

**Footnote. Article 225-4 as amended by the Law of the Republic of Kazakhstan dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).**

#### **Article 225-5. Accounting for the provision of state guarantees on export support**

The provided state guarantees on export support shall be subject to registration and accounting in the central authorized body for budget execution in the manner determined by the Government of the Republic of Kazakhstan.

The central authorized body for budget execution shall carry out the monitoring of the state-guaranteed obligation on export support in the manner determined by the central authorized body for budget execution in coordination with the central authorized body for state planning.

The financial condition of the Export Credit Agency of Kazakhstan, which has a state guarantee to support exports, is monitored in the manner determined by the central authorized body for budget execution in agreement with the central authorized body for state planning.

**Footnote. Article 225-5 as amended by the Law of the Republic of Kazakhstan dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).**

#### **Article 225-6. Execution of the state guarantee for export support**

1. The state guarantee for export support is subject to execution in excess of the one-time implementation of insurance and guarantee cases that exceed the equity capital of the Export Credit Agency of Kazakhstan, in the presence of the conclusions of the attorney (agent), the Export Credit Agency of Kazakhstan, statements from its accounts issued by second-tier banks, as well as audited financial statements for the financial year preceding the application for execution of the state guarantee for export support, and financial statements at the time of application for execution of the state guarantee for export support.

2. The state guarantee for export support is executed only for a part of the uncovered amount of insurance and guarantee payments minus the equity capital of the Export Credit Agency of Kazakhstan.

3. Fulfillment of obligations under the state guarantee for export support shall be carried out within eighteen months from the date of submission of requirements for the fulfillment of obligations under the state guarantee within the funds provided by the Law on the republican budget.

4. Funds allocated to fulfill obligations under the state guarantee for export support are subject to return by the Export Credit Agency of Kazakhstan to the republican budget at the expense of reimbursement of insurance and guarantee payments and other sources.

5. The conditions, terms, remuneration rates and procedure for the return of funds diverted from the republican budget for the execution of the state guarantee for export support are determined in the agreement on the provision of a state guarantee for export support, concluded between the central authorized body for budget execution, the attorney (agent) and Export Credit Agency of Kazakhstan.

**Footnote. Article 225-6 as amended by the Law of the Republic of Kazakhstan dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).**

#### **Article 225-7. Grounds for termination of the state guarantee for export support**

The state guarantee on export support ceases to be valid in the following cases:

- 1) full execution of the obligations stipulated in the contract of guarantee for export support;
- 2) the expiration of its validity.

## **Chapter 46. The suretyship of the state**

### **Article 226. The suretyship of the state**

The guarantee of the state is the obligation of the Government of the Republic of Kazakhstan to the creditor to pay off in whole or in part the borrower's debt on the loan attracted within the agreement of public-private partnership, including the agreement of concession according to the guarantee agreement.

The obligations under the suretyship include the principal amount of the loan and the interest on it.

**Footnote. Article 226 with the changes made by the Law of the Republic of Kazakhstan dated 31.10.2015 № 380-V (shall be enforced after ten calendar days after day of its first official publication).**

### **Article 227. The limitations for provision of the state suretyship**

1. The suretyship of the state is provided within the limits, set by the Law on the republican budget.
2. Means of the loan attracted under the guarantee of the state are used only on creation of objects of public-private partnership, including concession.
3. The suretyship of the state cannot be provided by the loans, attracted as refinancing of the borrowed loans or for loan servicing, as well as to secure the repayment of the loans of the local executive bodies.
4. The amount of the limit for provision of the state suretyship may only be used within the financial year for which this limit is set.

**Footnote. Article 227 with the changes made by the Law of the Republic of Kazakhstan dated 31.10.2015 № 380-V (shall be enforced after ten calendar days after day of its first official publication).**

### **Article 228. Terms of sureties State**

1. The suretyship of the state shall be provided on the basis of the decisions of the Government of the Republic of Kazakhstan.
2. The provision of the state suretyship is subject to the following conditions:
  - 1) obligation of transfer by the borrower to the state of an object of public-private partnership, including concession, according to article 233 of this Code;
  - 2) the borrower's obligation to accumulate the funds in a special account, intended to ensure the timely fulfillment of obligations on the loan, attracted under the suretyship of the state.

The order of accumulation of funds in the special account is determined by the contract of suretyship.

3. A one-time pre-payment (fee) in the amount of two percent from the amount of the state suretyship will be charged from the borrower for the provision of the state suretyship on the non-state loan.

4. The provision of the state suretyship is carried out under the insurance contract that meets the requirements of security for the repayment of the republican budget funds, taken on the fulfillment of the obligations under the suretyship of the state.

**Footnote. Article 228, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 № 131-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced after ten calendar days after day of its first official publication).**

#### **Article 229. The requirements for the persons, applying for the state suretyship**

For legal entities applying for the state suretyship on the loans, in which these entities act as borrowers must meet the following requirements:

- 1) to be a resident of the Republic of Kazakhstan, carrying out business activities;
- 2) have an insurance contract that meets the requirements of ensuring the repayment of a loan attracted under the guarantee of the state, established by the central authorized body for budget execution in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations , except for cases established by the Government of the Republic of Kazakhstan;
- 3) have a positive opinion of the authorized body of the relevant industry;
- 4) have a positive opinion of the central authorized body for budget execution on the financial expertise of the project;
- 5) availability of the positive judgment of the concession request or availability of the protocol on determination of the private partner;
- 6) does not have a debt to repay and service of the previously received loans under the suretyship of the state or the state guarantees of the loan, the payment deadlines of which have come, as well as other overdue payments to creditors;
- 7) to have the equity making not less than twenty percent in relation to the project cost of public-private partnership, including concession;
- 8) to be solvent, will not be subject to liquidation, its assets will not be seized, its financial and business operations should not be suspended in accordance with the legislation of the Republic of Kazakhstan.
- 9) to enable project implementation, the projects of public-private partnership, including concession projects offered to financing at the expense of the non-state loans attracted under the guarantee of the state for the corresponding period approved by the Government of the Republic of Kazakhstan included in the list.

**Footnote. Article 229, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 № 263-IV (shall be enforced from 01.01.2010), dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated**

04.07.2013 № 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 № 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 31.10.2015 № 380-V (shall be enforced after ten calendar days after day of its first official publication); № 262-VI dated 03.07.2019 (shall be enforced since 01.01.2020).

**Article 230. Selection of projects of public-private partnership, including concession projects, for providing or increase in volume of guarantees of the state**

Selection of projects of public-private partnership, including concession projects, for providing or increase in volume of guarantees of the state is made by the central authorized body on state planning in the order determined by the central authorized body by state planning in coordination with the central authorized body on budget implementation.

**Footnote. Article 230 in edition of the Law of the Republic of Kazakhstyan dated 31.10.2015 № 380-V (shall be enforced after ten calendar days after day of its first official publication).**

**Article 231. The form of the state suretyship**

1. The suretyship of the state is provided by conclusion of the written contract for the state suretyship between the central authorized body for budget execution and the money-lender.

The document that meets the requirements of this Article may be considered as the state suretyship.

Acts or other documents of the state bodies and their officials have no legal force of the state suretyship.

2. The contract of state suretyship is signed by the first head of the central authorized body for budget execution.

3. The contract of state suretyship provides:

1) the details of the resolution of the Government of the Republic of Kazakhstan, under which the suretyship of the state is provided;

2) the name and address of the borrower and the money-lender;

3) the content of the principal obligation of the borrower;

4) the amount of the loan, for which the suretyship of the state is provided, other obligations on the loan covered by the suretyship of the state. Other obligations cannot increase the amount of the loan (capitalized);

5) the term of the suretyship of the state;

6) the official, who signed the contract of suretyship of the state.

4. The state suretyship shall be invalid in failure to comply with the requirements provided in paragraph 2 and subparagraph 1) of paragraph 3 of this Article.

**Article 232. Accounting of the provided suretyship of the state and the loans under the suretyship of the state**

The provided suretyship of the state and the loans under the suretyship of the state are subject to registration and accounting in the central authorized body for budget execution in the manner, prescribed by the Government of the Republic of Kazakhstan.

The central authorized body for budget execution monitors the debt under the suretyship of the state in the manner, prescribed by the Government of the Republic of Kazakhstan.

**Article 233. Performance of the suretyship of the state**

1. The requirements for the fulfillment of obligations may be brought to the guarantor within six months from the date of the maturity date of the loan.

2. The suretyship of the state is subject to the execution after the money-lender takes all reasonable steps to recover the debt from the borrower, and (or) in the event of declaration of the borrower's bankruptcy or the liquidation in accordance with the legislation of the Republic of Kazakhstan.

Performance of the suretyship of the state is carried out within the period of eighteen months from the date of submission of the requirements for the performance of the state suretyship within the limits, stipulated by the Law on the republican budget.

3. The guarantor is entitled to perform the obligations under the suretyship of the state, if the borrower does not repay the loan obligations, attracted under the suretyship of the state, on the expiry of the term of payment. In this case, the guarantor makes the recourse to the borrower.

The funds, allocated to the performance of the obligations under the suretyship of the state, shall be returned to the republican budget in the order, determined by the Government of the Republic of Kazakhstan.

**Footnote. Article 233 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 № 263-IV (shall be enforced from 01.01.2010).**

**Article 234. Grounds for termination of the suretyship of the state**

The suretyship of the state shall be terminated its effect after the complete execution of the obligations by the borrower or guarantor under the loan, secured by the state suretyship.

**Article 235. Limitations on the use of the loan funds, attracted by the suretyship of the state**

The use of the loan funds, attracted under the suretyship of the state, for the purposes not specified in the contract of suretyship, as well as the crediting of the state bodies.

**Article 236. The control and responsibility for the use of the loan funds, attracted under the suretyship of the state**

The use of the loan funds, attracted under the suretyship of the state is controlled in the manner, prescribed by the Government of the Republic of Kazakhstan.

The borrower on the loans, attracted under the suretyship of the state, shall be liable under the Laws of the Republic of Kazakhstan, for the inappropriate use of the received funds and the repayment of funds, attracted for performance of the obligations under the suretyship of the state, in the event of non-performance of the debt obligations on the loan by the borrower.

## **Chapter 47. PROTECTION OF INTERESTS OF THE LENDER**

### **Article 237. The inadmissibility of the unilateral refusal to perform the obligations under the loan agreement**

The unilateral refusal to perform the obligations under the loan agreement is not allowed.

### **Article 238. Protection from illegal activities of the state bodies and officials**

Acts of the state bodies and their officials, adopted in violation of the legislation of the Republic of Kazakhstan and worsening the conditions of attraction, use or redemption of the state loans and the state guaranteed loans, do not have the legal force.

### **Article 239. Settlement of disputes**

1. Disputes and difficulties, arising in connection with the loan agreements, state securities, government guarantees, suretyship, or related to them with the activities, including the management of the state, government debt, debt of the local executive bodies or the state-guaranteed debt are settled as far as possible through the negotiation or under the previously agreed dispute resolution procedures, set out in the loan agreements, the rules for the issuance of the state securities.

2. All other disputes, not specified in paragraph 1 of this Article, including disputes of the foreign lender with the citizens and legal entities of the Republic of Kazakhstan, shall be settled by the courts of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan, unless otherwise provided by agreement of the parties.

## **SECTION 13. FINAL AND TRANSITIONAL PROVISIONS**

### **Chapter 48. TRANSITIONAL PROVISIONS**

#### **Article 240. The development of the local budgets for 2009 financial year**

1. The local budgets for 2009 financial year are developed on the structure of the budget, provided in Article 13 of this Code.

2. Forecasting of the revenues for the local budgets, specified in Articles 50 - 52 of this Code shall be carried out by local authorized body for state planning on the basis of the medium-term plan for social and economic development of the region and the medium-term fiscal policy in the coming three-year period.

3. The text of the decision on the local budget for the 2009 financial year includes:

1) the amounts of revenues, expenses, net budget crediting, the balance of financial assets, the deficit (surplus), the financing (the use of surplus) of budget deficit for the upcoming financial year;

2) the amounts of budget subventions, transferred from the higher budget in the lower budgets, and the amounts of budget withdrawals from lower budgets in the higher budget;

3) the size of the reserve of the local executive body;

4) other provisions.

4. The decision on the local budget for the 2009 financial year is included:

1) the local budget for the financial year on the structure, established by this Code. At the same time, the revenues are set out by categories, classes and subclasses, and the costs are set out by functional groups, administrators of budget programs and budget programs. The section “Financing (the use of surplus) of the budget deficit” is presented in the total amount;

2) the list of budget development programs with the division on the budget programs, aimed at the implementation of budget investment projects and the formation or increase of the authorized capital of legal entities;

3) the list of local budget programs that cannot be sequestered during the execution of the local budget for 2009, including those established by the Law on the republican budget for 2009-2011 (by the decision of the regional maslikhat on the approval of the regional budget for 2009);

4) the amount of revenues to the budget of the city of republican significance and the capital (the budget of the district (the city of regional importance) from the sale of agricultural land;

5) the budget programs of each district in the city, town of the regional importance, township, aul (village), aul (rural) district;

6) other information.

5. The budget program is the tasks, provided by the budget funds that are taken for the implementation of the functions of the state administration, strategic, medium-term programs and plans for the development of the republic or the region.

The budget program can be divided into sub-programs, specifying the tasks provided by the budget funds that are taken for the implementation of the functions of the state administration, strategic, medium-term programs and plans for the development of the republic or the region within the budget program.

The budget program should have the purpose, tasks and indicators that reflect the results of its implementation.

The purpose of the budget program is the certain final result that should be achieved by the implementation of the budget program. The purpose of the budget program should be clear, realistic and achievable.

The purpose of the budget program is divided into the individual tasks, which are the ways for achievement of the purpose of the budget program.

The indicators should comply with the purpose and should be easily countable.

The name of the budget program should reflect the purposes of the state functions, the tasks of the strategic, medium-term programs and the development plans, adopted by the legislation of the Republic of Kazakhstan.

The content of the budget program must comply with the state functions, tasks of the strategic, medium-term programs and the development plans of the republic, adopted by the legislation of the Republic of Kazakhstan, reflecting the respective state services.

6. The budget programs are divided into the current budget programs and the budget development programs.

The current budget programs are the budget programs, the results of which are aimed at:

1) supporting the activities of administrators of budget programs to implement the functions of the state administration and the obligations of the state in accordance with the legislative acts of the Republic of Kazakhstan, that are permanent;

2) achieving the purposes, solving the specific tasks and activities of the strategic, medium-term programs and the development plans of the republic or the region.

The budget development programs are the budget programs, the results of which directly affect to the degree of achievement of the purposes, the tasks and activities of the strategic, medium-term programs, the development plans of the republic or the region to obtain the economic benefits or social and economic effects.

#### **Article 241. Development of the resolutions of the local executive bodies on the implementation of the decisions of maslikhats on local budgets for 2009**

1. The resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 is adopted, within two weeks after the approval by maslikhat of the local budget.

2. The resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 provides for the commission to ensure the timely execution of the local budget to the administrators of budget programs, local authorized body for budget execution.

The resolution shall include:

1) the approved local budget. At the same time, revenues are presented to the level of specificity, and the budget programs are presented as divided into sub-programs. The section "Financing (the use of surplus) the budget deficit" is presented in the total amount;

2) the distribution of targeted transfers and loans to the lower budgets;

3) other data or indicators necessary for the implementation of the Law on the republican budget for 2009-2011 or the decisions of maslikhat on the local budget for 2009, the definition of which is assigned to the Government of the Republic of Kazakhstan or local executive body.

3. For clarification of the local budget the resolution of the local executive body on amendments and supplements to the resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009, is approved within two weeks after approval of the decision of maslikhat on amendments and supplements to the decision of maslikhat on the local budget for 2009 year.

#### **Article 242. The order of execution of local budgets in 2009**

1. The basis for the execution of budget for 2009 is:

1) this Code;

2) the decisions of maslikhats on the local budgets for 2009;

3) the resolutions of the local executive bodies on the implementation of the decisions of maslikhat on the local budget for 2009;

4) the decisions of the local executive bodies, adopted in the current financial year, during the execution of the local budgets;

5) the passports of the local budget programs;

6) the summary plan for financing the obligations, the summary plan of revenues and financing of payments;

7) the plans for financing the obligations and payments of the administrators of local budget programs;

8) the individual plans for financing the obligations and payments of the state institutions;

9) the regulatory legal acts that determine the order of execution of the budget in accordance with this Code.

2. The passports of the local budget programs for 2009 are approved by the local executive body within two weeks after the approval of the local budget by maslikhat.

The passports of the local budget programs are drawn up on the basis of the draft passport of the budget program, provided in the budget request and approved by the budget commission, taking into account the decisions, adopted in the approval (clarification, adjusting) of the budget.

The amendments and additions to the passports of budget programs are made in the following cases:

1) clarification of the budget;

2) change the functions of the executive bodies, financed from the local budgets;

3) introduction of amendments and additions to the resolutions of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009, in the event of a change of the purpose, objectives, activities, responsible agencies, the timing of implementation, expected results and indicators;

4) the need to address situations that threaten the political, economic, ecological and social stability of the Republic of Kazakhstan;

5) direction of the remainder of the unused scheduled amounts to perform the additional activities needed to achieve the desired objectives and range of tasks and activities of the budget program, formed in the case of performance by the state institution of the planned activities of the budget program for the smaller amount of the budget funds from the approved amount due to the reduction of the actual prices of the relevant goods (works, services), as compared with the forecast prices.

The passports of the local budget programs must be published in the media with the protection of state secrets in accordance with the legislation of the Republic of Kazakhstan.

3. The summary plan for financing the obligations, the summary plan of revenues and financing of payments, the plans for financing the obligations and payments of administrators of the local budget programs, individual plans for financing the obligations and payment of

the state institutions are developed, approved and are subject to change in accordance with this Code.

4. The execution of the local budgets by revenues, assumption of obligations, making payments and money transfers, use of budget surpluses on January 1, 2009, clarification, sequestration of the local budgets in 2009, budget monitoring are carried out in the manner, prescribed by this Code.

5. When adjusting the local budgets, the budget figures are changed by making amendments and additions to the resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 without clarification in maslikhat.

In the event that, after adjustment, the clarification of the budget is made, the adjusted budget figures are reflected in the clarified budget, with the exception of the distributable budget programs.

#### **Article 243. Annual reports on the execution of the republican and local budgets for 2008**

1. Annual report on the execution of the republican and local budgets for 2008 is formed on the structure of the budget, consisting of the following sections:

1) income:

tax revenues;

non-tax revenues;

revenues from the sale of fixed assets;

income transfers;

2) costs;

3) operating balance;

4) net budget crediting:

budget loans;

repayment of the budget loans;

5) balance of financial assets:

acquisition of financial assets;

revenues from the sale of the state financial assets;

6) budget deficit (surplus);

7) financing (the use of surplus) the budget deficit:

receipt of loans;

repayment of loans;

movement of the budget surpluses.

2. The annual report on the execution of the republican and local budgets for 2008 shall include:

1) the explanatory note;

2) the analytical report on the implementation of revenues, as well as the implementation of budget programs.

3. Annual report on the execution of the republican and local budgets for 2008 with applications are made, submitted, reviewed and approved in the manner and time, stipulated by this Code.

**Article 243-1. Features of the development, approval and clarifying of the budgets for 2014, 2015 financial years**

Spending limits of administrators of budget programs, limits on new initiatives shall not be formed in the development, approval and clarifying of the republican and local budgets for 2014 financial year.

In approving and clarifying the republican budget for 2015 financial year the strategic plans for state bodies, except for the National Bank of Kazakhstan, shall include budget programs with funding for the planning period.

At a statement and refining of the republican budget for 2014 and 2015 financial years the administrators of the budget programs developing strategic plans do not develop the budget programs.

At a statement and refining of the budget for 2015 financial year the budget program can be subdivided into the subprogrammes concretizing the directions of expenditure of budgetary funds provided that for the budget subprogrammes the same indicators of result, as for the budget programs are applicable.

**Footnote.** Chapter 48 is supplemented by Article 243-1 in accordance with the Law of the republic of Kazakhstan dated 03.12.2013 № 150-V (shall be enforced upon expiry of ten calendar days after its first official publication); with the changes made by the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (shall be enforced after ten calendar days after day of its first official publication).

**Article 243-2. Consolidated financial statements of the government budget and about execution of republican, regional budgets, city budgets of republican significance, the capital in 2017 financial year**

The consolidated financial statements of the government budget and about execution of republican, regional budgets, city budgets of republican significance, the capital in 2017 financial year are not formed.

**Footnote.** Chapter 48 is supplemented with article 243-2 according to the Law of the Republic of Kazakhstan dated 02.07.2014 № 225-V (shall be enforced after ten calendar days after day of its first official publication).

**Article 243-3. Peculiarities of refining, adjustment and budget implementation of the area (the city of regional significance) for 2017 financial year and drawing up the annual report on budget implementation of the area (the city of regional significance) in 2017 financial year**

1. Refining, adjustment and budget implementation of the area (the city of regional significance) for 2017 financial year are performed according to the budget of the area (the city of regional significance) approved by the solution of the maslikhat on the budget of the area (the city of regional significance) in 2016.

2. The annual report on budget implementation of the area (the city of regional significance) in 2017 financial year is formed according to the budget of the area (the city of regional significance) approved (specified) by the solution of the maslikhat on the budget of the area (the city of regional significance).

**Footnote.** Chapter 48 is supplemented with article 243-3 according to the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 243-4. Features of development and the approval of local budgets for 2018–2020 and 2019–2021 financial years**

1. Budgets of the cities of district significance, villages, settlements, rural districts for 2018–2020 and 2019–2021 financial years are developed and affirm in the territory of the cities of district significance, villages, settlements, rural districts with population size more than two thousand people as of January 1, 2017 and on January 1, 2018 financial years respectively.

Budgets of the cities of district significance, villages, settlements, rural districts for 2018–2020 and 2019–2021 financial years are developed and affirm according to regulations of articles 9-1, 52, 52-1, 56-1, 64, 65, 65-1, 66, 67, 68, 73, 73-1, 75, 78 and 79 of this Code.

2. Expenses of the cities of district significance, villages, settlements, rural districts on 2018–2020 and 2019–2021 financial years with population size two thousand and less people as of January 1, 2017 and on January 1, 2018 financial years are respectively provided in structure district (the cities of regional significance) budgets.

For accounting of the transactions connected with transfer of receipts, stipulated by the legislation the Republic of Kazakhstan about local public administration and self-government, and carrying out the expenses directed by akims of the cities of district significance, villages, settlements, rural districts with population size two thousand and less people as of January 1, 2017 and on January 1, 2018 financial years respectively to implementation of functions of local self-government, the central authorized body on budget implementation open control accounts of cash (the control account of cash of local self-government).

Execution on the money directed to implementation by akims of the cities of district significance, villages, settlements, rural districts with population size two thousand and less people as of January 1, 2017 and on January 1, 2018 financial years according to functions of local self-government is performed according to article 102-1 of this Code.

**Footnote.** Chapter 48 is added with article 243-4 according to the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 243-5. Features of development and the approval of local budgets on 2020–2022 and the subsequent financial years**

Budgets of the cities of district significance, villages, settlements, rural districts on 2020–2022 and are formed the subsequent financial years in the territory of the cities of district

significance, villages, settlements, rural districts regardless of the population size of these administrative and territorial units.

**Footnote.** Chapter 48 is supplemented with article 243-5 according to the Law of the Republic of Kazakhstan dated 11.07.2017 № 90-VI (shall be enforced after ten calendar days after day of its first official publication).

#### **Article 243-6. Determination of the amount of guaranteed transfer from the National Fund of the Republic of Kazakhstan for 2023-2025 and subsequent financial years**

1. The amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan for 2023-2025 and subsequent financial years shall be determined in accordance with paragraph 2-1 of Article 24 of this Code.

2. The amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan for the 2023 financial year in the prospected period for 2021 - 2023 financial years and for 2023 and 2024 financial years in the prospected period for 2022 - 2024 financial years shall be determined without applying paragraph 2-1 of Article 24 of this Code.

**Footnote.** Chapter 48 shall be supplemented by Article 243-6 in accordance with the Law of the Republic of Kazakhstan dated 31.12.2021 № 100 (shall be enforced ten calendar days after the date of its first official publication).

#### **Article 243-7. Features of 2023 financial year republican budget updating**

Paragraph 6 of Article 12 of this Code shall not be applied in the 2023 financial year republican budget updating.

**Footnote.** Chapter 48 shall be supplemented by Article 243-7 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2022 № 177-VII (shall be enforced ten calendar days after the date of its first official publication).

### **Chapter 49. FINAL PROVISIONS**

#### **Article 244. Responsibility for violation of the budget legislation of the Republic of Kazakhstan**

The persons, found guilty of violating the budget legislation of the Republic of Kazakhstan shall be liable in accordance with the Laws of the Republic of Kazakhstan.

#### **Article 245. Final Provisions**

1. This Code enters into force from 1 January, 2009, except for Articles 13, 17, 18, paragraphs 5 and 6 of Article 19, 29, 40, 71, 74, 77, subparagraph 5) of paragraph 5 of Article 96, paragraph 3 of Article 156, 240, 241, 242, and Articles 32 - 39, 60 - 68, 79, 84, 85 for the republican budget, which shall be enforced from the date of its first official publication, and Articles 114, 115, 116, 117, 118, which shall be enforced from 1 January, 2013.

2. The legislation of the Republic of Kazakhstan, valid at the time of the enactment of this Code shall apply to the extent not contrary to it, and within a year from the date of entry into force of this Code should be brought into line with it.

3. To declare as invalid from 1 January, 2009 the Budget Code of the Republic of Kazakhstan dated April 24, 2004 (Official Gazette of the Parliament of the Republic of Kazakhstan, 2004, No. 8-9, art. 53; No. 20, art. 116; No. 23, art. 140, 142, 2005, No. 14, art. 55; No. 21-22, art. 87, 2006, No. 1, art. 5; No. 3, art. 22; No. 8, Art. 45; No. 12 Art. 77, 79; No. 13, art. 86; No. 16, art. 97; No. 23, art. 141, 2007, No.1, art. 4; No. 2, art. 16; No. 4, art. 28; No. 13, art. 98; No.16, art. 129; No. 20, art. 152; No. 23, art. 176, 2008, No. 6-7, art. 27; No. 13-14, art. 58; No. 15-16, art. 64), except for the Articles 7, 13, 17, 21, 22, 29, 37, 76, 79, 82, 95, 101-103, and Articles 33, 34, 68 - 70, 72 - 75, 92, 93 for the republican budget, which repealed from the date of first publication of this Code.

**Footnote. Article 245, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 № 263-IV (shall be enforced from 01.01.2010).**

*The President of  
the Republic of Kazakhstan*

*N. Nazarbayev*

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