

## On Grain

### *Unofficial translation*

The Law of the Republic of Kazakhstan dated 19 January, 2001 No. 143.

#### Unofficial translation

Throughout the text, the words "issue", "issued", "issued" are replaced by the words "release", "released", "released" in accordance with the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); the words “conformity assessment” and “Conformity assessment” shall be replaced by the words “conformity assessment” and “Conformity assessment”, respectively, in accordance with the Law of the Republic of Kazakhstan dated December 30, 2020 № 397-VI (shall be enforced six months after the day of its first official publication).

This Law regulates relations arising in the process of production, storage and marketing of grain in the Republic of Kazakhstan.

### Chapter 1. General provisions Article 1. Basic definitions, used in this Law

The following basic definitions are used in this Law:

- 1) is excluded by Law of the Republic of Kazakhstan No 435-V dated 04.12.2015 (shall be enforced from 02.01.2016).
- 2) food grains – grains, used for food purposes;  
2-1) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication);
- 3) is excluded by the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Article 2);  
3-1) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);
- 4) grain –fruits of cereals, legumes and oilseeds used for food, seed, feed and industrial purposes;
- 5) the owner of grain – an individual or a legal entity, transferred the grain for storage to the cereal receiving company;
- 6) cereal receiving company - a legal entity, having the ownership rights in granary (elevator, grain receiving point), where the grain is stored;
- 7) granary (elevator, grain receiving point) – a specialized technical facility for the storage of grain;  
7-1) activity to provide services for warehouse activity with the release of grain receipts - the activity carried out by grain receiving enterprises for grain storage;

7-2) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

7-3) the state electronic register of holders of grain receipts (hereinafter- the register) - a set of information about grain receipts and their holders, providing identification of grain receipts holders at a certain point of time, registration of transactions with grain receipts, as well as the nature of registered restrictions on circulation or implementation of rights on them, and other information, reflected in the registrar information system;

7-4) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

9) the system for guaranteeing the fulfillment of obligations on grain receipts - a set of organizational and legal measures aimed at protecting the rights and legitimate interests of the holders of grain receipts from the failure of grain receiving enterprises to fulfill their obligations under grain receipts issued by them;

10) the fund of guaranteeing the fulfillment of obligations on grain receipts - a legal entity created to ensure the protection of the interests of the holders of grain receipts from the failure of grain receiving enterprises to fulfill their obligations under grain receipts issued by them;

10-1) grain receipt - a warehouse certificate in the form of a non-documentary non-emission security, certifying the rights of its holder to receive grain from a grain-receiving enterprise in the volume and quality determined during its issuance;

11) the holder of a grain receipt - a person registered in the register, having the rights on a grain receipt;

11-1) grain market operator - a national company in the field of agro-industrial complex, participating in ensuring food security through the implementation of a stabilization function in the grain market and the authority to manage a reserve stock of grain;

12) grain production - a complex of agro-technological measures, aimed at growing crops;

13) grain market participants - individuals and legal entities, involved in the production, storage, transportation, processing and sale of grain;

13-1) monitoring of the grain market - a set of permanent arrangements for the collection, processing and analysis of data on transactions with grain, carried out by grain market participants, including its production, storage, processing and sale;

13-2) grain quality passport - a document certifying the actual indicators of grain quality and their compliance with the requirements of documents on standardization and (or) contract conditions;

13-3) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

13-4) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

13-5) grain storage - technological complex of services, rendered to the granary (elevator, grain receiving points), including acceptance, weighing, drying, cleaning, storage and shipment of grain;

14) the life cycle of the grain - the processes of production, storage, transportation, sale, destruction and recycling of grain;

14-1) reserve stock of grain - a stock of food grain used for the purpose of guaranteed provision of the country with food grain in the event of natural, man-made and social emergencies, the introduction of a state of emergency, and also, if necessary, for the purpose of regulating the impact on the domestic market;

14-2) management of the reserve stock of grain - the activity of the grain market operator, aimed at ensuring the storage of the reserve stock of grain at grain-receiving enterprises at the expense of budgetary funds, as well as the purchase and sale of the reserve stock of grain;

17) grain quality - a set of consumer properties of grain that determine its compliance with the requirements of documents on standardization, sanitary, veterinary and phytosanitary rules and regulations, hygienic standards;

18) examination of the grain quality - a set of measures, aimed at the establishment and confirmation of the actual indicators of grain quality, including the examination of the vehicle (the warehouse), the selection and testing of samples, drawing-up the passport of grain quality ;

18-1) order - an electronic document formed by a grain receiving enterprise or a holder of a grain receipt in the register, indicating the implementation of a certain action with respect to the grain owned by the holder of a grain receipt, signed by an electronic digital signature issued by the national certifying center;

18-2) personal account - the totality of records contained in the register, allowing to identify the registered person for the purpose of registering transactions and recording rights on the grain receipt;

18-3) a statement from a personal account - an electronic document that is not a security, formed by the registrar in the registrar information system and confirming the rights of the registered person on the grain receipt at a certain point of time;

20) feed grain- the grain, intended to feed animal and poultry;

21) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

21-1) client - a person using or intending to use the services of a registrar;

22) is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V ( shall be enforced upon expiry of three months from the day of its first official publication);

23) is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V ( shall be enforced upon expiry of three months from the day of its first official publication);

24) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

25) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

26) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

27) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);

27-1) is excluded dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016);

28) seed grain (seeds) – grains, used for seeding purposes and shared by varietal and seed quality;

28-1) a registrar - a legal entity with participation of the state in the authorized capital, having experience in the securities market, determined by the Government of the Republic of Kazakhstan;

28-2) a registrar information system - an automated system for maintaining a registry, intended for storage, processing, search, distribution, transmission and provision of information on grain receipts and their holders;

28-3) a web portal of the registrar information system - an Internet resource, placed on the Internet, providing a single point of access to the registry data;

29) the authorized body - the central executive body, implementing coordination and regulation the activity of grain market participants within the limits of its competence.

Footnote. Article 1 is in the wording of the Law of the Republic of Kazakhstan dated 29.12.2006 № 209 (the order of enforcement see Article 2); as amended by the Laws of the Republic of Kazakhstan dated 26.07.2007 № 313 (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 13.06.2013 № 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 04.12.2015 № 435-V (the order of enforcement see Art. 2); dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); dated 05.10.2018 № 184-VI (shall be enforced upon the expiration of six months after the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 21, 2020 № 390-VI (shall be enforced ten calendar days after the day of its first official publication).

## **Article 2. Legislation of the Republic of Kazakhstan on grain**

Footnote. Title is amended by the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Article 2).

1. Legislation of the Republic of Kazakhstan on grain is based on the Constitution of the Republic of Kazakhstan and consists of the norms of the Civil Code of the Republic of Kazakhstan, this Law and other regulatory legal acts of the Republic of Kazakhstan.

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

Footnote. Article 2, as amended by the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Article 2).

## **Chapter 2. State administration and regulation of the grain market Article 3. The objectives of state administration of the grain market**

The objectives of state administration and regulation of the grain market are:

- 1) ensuring safety in the field of technical regulation (hereinafter - safety);
- 2) shall be excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced 01.01.2016);
- 3) expand markets for grain;
- 4) the quality assurance of grain;
- 5) maintaining a safe level of phytosanitary situation;
- 6) optimization of the structure of grain production, taking into account climatic conditions and market conditions, improvement of production technology, storage and sale of grain;
- 7) shall be excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced 01.01.2016);
- 8) formation of investment, credit, tax and customs policy in grain production;
- 9) prevention of actions that may mislead consumers about the safety and quality of grain.
- 10) ensuring the maintenance of a reserve stock of grain.

**Footnote. Article 3, as amended – by the Law of the Republic of Kazakhstan dated 29 December, 2006 № 209 (the order of enforcement see Article 2); dated 04.12.2015 № 435-V (shall be enforced 01.01.2016); dated December 21, 2020 № 390-VI (shall be enforced ten calendar days after the day of its first official publication).**

## **Article 4. Forms of state regulation of the grain market**

State regulation of the activity of the grain market participants shall be through:

- 1) licensing activity to provide services for warehouse activity with the release of grain receipts based on qualification requirements, approved by the authorized body;  
1-1) is excluded by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012);
- 2) the technical regulation in accordance with the legislation of the Republic of Kazakhstan;  
2-1) shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication);
- 3) legal regulation of grain receipts circulation;
- 4) licensing control over the implementation of activity to provide services for warehouse  
4-1) control over observance of the rules: on the maintenance of quantitative and qualitative accounting of grain, grain storage, formation and maintenance of the state electronic registry of grain receipts holders;

- 4-2) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication);
- 4-3) reimbursement of expenses for the storage of a reserve stock of grain;
- 5) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);
- 6) (is excluded).
- 7) (is excluded).
- 8) (is excluded).
- 9) (is excluded – № 488 dated 13.10.2003).
- 10) other forms, stipulated by legislative acts.

Footnote. Article 4, as amended by the Laws of the Republic of Kazakhstan dated 13 October, 2003 № 488; dated 20 December, 2004 № 13 (shall be enforced dated 1 January, 2005); dated 29 December, 2006 № 209 (the order of enforcement see Article 2); dated 26 July, 2007 № 313 (the order of enforcement see Article 2); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 502-V (the order of enforcement see Art. 2); dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 21, 2020 № 390-VI (shall be enforced ten calendar days after the day of its first official publication).

## **Article 5. Competence of the Government of the Republic of Kazakhstan**

The Government of the Republic of Kazakhstan shall:

- 1) is excluded by the Law of the Republic of Kazakhstan dated 03.07.2013 № 124-V ( shall be enforced upon expiry of ten calendar days after its first official publication);
  - 1-1) is excluded 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);
- 2) create the favorable conditions for attracting the investments and take other measures to promote the grain market and maintain its stability;
  - 2-1) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);
- 3) is excluded 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);
- 4) enter into intergovernmental agreements, related to operations with grain;
  - 4-1) determine the registrar;
- 5) is excluded 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);
- 6) is excluded 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);

6-1) is excluded by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012);

7) is excluded 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);

7-1) is excluded 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);

8) (is excluded).

9) is excluded 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);

10) is excluded 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);

11) is excluded 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);

12) is excluded by the Law of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016);

13) is excluded 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);

14) is excluded 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);

15) perform other functions, assigned to it by the Constitution, the Laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. Article 5, as amended by the Laws of the Republic of Kazakhstan dated 13.10.2003 № 488; dated 20.12.2004 № 13 (shall be enforced from 01.01.2005); dated 29.12.2006 № 209 (the order of enforcement see Article 2); dated 26.07.2007 № 313 (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 03.07.2013 № 124-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 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## **Article 6. The competence of the authorized body**

The competence of the authorized body shall include:

- 1) the development of a policy of state support for grain production and organization of their implementation;
  - 1-1) the coordination and methodological guidance of the local executive bodies in the field of grain market;
  - 1-2) determination of the operator for the grain market;
- 2) development and approval of qualification requirements for the provision of services for warehouse activity with the release of grain receipts;
  - 2-1) is excluded by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV ( shall be enforced from 30.01.2012);
  - 2-2) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);
- 3) is excluded 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);
  - 3-1) is excluded by the Law of the Republic of Kazakhstan dated 10.07.2012 № 36-V ( shall be enforced upon expiry of ten calendar days after its first official publication);
  - 3-2) approving the form of regulations to eliminate violations of the legislation of the Republic of Kazakhstan on the grain, protocol on the administrative offence, ruling in a case, concerning an administrative offence;
- 4) issuance of regulations on violation of the legislation of the Republic of Kazakhstan on grain, consideration of cases on administrative offences in accordance with the legislation of the Republic of Kazakhstan on administrative offences;
- 5) monitor the grain market;
- 6) is excluded 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);
- 7) shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (entered into force on the expiration of ten calendar days after the day of its first official publication);
- 8) is excluded 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);
- 9) is excluded by the Law of the Republic of Kazakhstan dated 03.07.2013 № 124-V ( shall be enforced upon expiry of ten calendar days after its first official publication);
- 10) the development and approval of the requirements to the order of examination of the grain quality and issuance of grain quality passport;
- 11) the development and approval of technical regulations to the grain and the processes of its life cycle;
  - 11-1) consideration of draft documents on standardization within the competence, as well as the preparation of proposals for the development, modification, revision and cancellation



of national, interstate standards, national classifiers of technical and economic information and recommendations on standardization for submission to the authorized body in the field of standardization;

12) development and approval of rules:

maintaining quantitative and qualitative accounting of grain;

grain storage;

temporary management of the grain-receiving enterprise;

formation and maintenance of the state electronic register of holders of grain receipts;

12-2) development and approval of the forms, volume and frequency of data transfer to the state electronic register of holders of grain receipts;

13) is excluded – dated 26 July, 2007 № 313;

14) is excluded by the Law of the Republic of Kazakhstan dated 13.01.2014 № 159-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

15) is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V ( shall be enforced dated 01.01.2020).

16) is excluded 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);

17) is excluded 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);

18) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

19) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

20) is excluded by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV ( shall be enforced from 30.01.2012);

20-1) is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V ( shall be enforced from 01.01.2015);

21) the development and approval of forms for inspection reports of the cereal receiving company;

22) is excluded 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);

23) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

24) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

25) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

26) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

27) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

28) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

29) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

30) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

31) the development and approval of the standard form of public contracts between cereal receiving company and owner of grain;

32) the development and approval of requirements for the creation, operation and liquidation of funds, guaranteeing the fulfillment of obligations under grain receipts, the conditions for participation of cereal receiving companies in the system of guaranteeing the fulfillment of obligations under grain receipts, the order for obtaining the guarantees of fund ( s) guaranteeing the fulfillment of obligations under grain receipts, the order of repayment of grain receipts by fund (s) guaranteeing the fulfillment of obligations under grain receipts;

32-1) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

32-2) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

32-3) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 02.01.2016);

32-4) implementation of state control over compliance of local executive bodies with the legislation of the Republic of Kazakhstan on grain;

32-5) development and approval of the rules for holding an open tender to determine the registrar;

32-6) development and approval of the rules for managing the reserve stock of grain;

32-7) compensation to the grain market operator for the costs of storing a reserve stock of grain;

33) exercise other powers, stipulated by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Footnote. Article 6 is in the wording of the Law of the Republic of Kazakhstan dated 10.01.2006 № 116 (the order of enforcement see Article 2); as amended by the Laws of the Republic of Kazakhstan dated 29.12.2006 № 209 (the order of enforcement see Article 2); dated 26.07.2007 № 313 (the order of enforcement see Article 2); dated 17.07.2009 № 188-IV (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 19.03.2010 № 258-IV; dated 06.01.2011 № 378-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated

05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 15.07.2011 № 461-IV ( shall be enforced from 30.01.2012); dated 10.07.2012 № 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 13.06.2013 №102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2013 № 124-V (shall be enforced upon expiry of ten calendar days after its first official publication ); dated 13.01.2014 № 159-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 13.01.2014 № 159-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 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016); dated 09.04.2016 № 502-V (the order of enforcement see Art. 2); dated 24.05.2018 № 156-VI ( shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 05.10.2018 № 184-VI (shall be enforced upon the expiration of six months after the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 21, 2020 № 390-VI (shall be enforced ten calendar days after the day of its first official publication).

#### **Article 6-1. Competence of the local executive body of a region, a city of republican significance and the capital city**

Footnote. The title of Article 6-1 is in the wording of the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The competence of the local executive body of the region shall include:

1) is excluded by the Law of the Republic of Kazakhstan dated 03.07.2013 № 124-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

1-1) the implementation of state policy in the field of the grain market;

2) licensing of activity to provide services for warehouse activity with the release of grain receipts;

3) is excluded by 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).

4) optimization of the structure of grain production, taking into account climatic conditions and market conditions, improvement and implementation of new advanced technologies of production, storage and sale of grain;

5) is excluded by 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).

6) implementation of the reduction in the cost of mineral fertilizers, seed dressing and pesticides for domestic agricultural producers in accordance with budget programs;

7) take the necessary measures to ensure the essential needs of the domestic market for petroleum products;

8) taking measures to create a competitive environment in the regions for the provision of conformity assessment services in the field of technical regulation;

9) state control over bakery enterprises;

10) suspension of the license action for the right to carry out activity to provide services for warehouse activity with the release of grain receipts in general or in part of implementation of certain transactions for up to six months in the manner prescribed by the legislation of the Republic of Kazakhstan on administrative violations;

11) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

12) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

13) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

14) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

15) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

16) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

17) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);

17-1) control over the observance by grain-receiving enterprises of the rules: maintaining quantitative and qualitative accounting of grain, grain storage, formation and maintenance of the state electronic register of holders of grain receipts in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

17-2) release of orders on violation of the legislation of the Republic of Kazakhstan on grain, consideration of cases of administrative violations in accordance with the legislation of the Republic of Kazakhstan on administrative violations;

17-3) monitoring of the grain market within the administrative territorial unit;

17-4) state control over the safety and quality of grain;

17-5) imposing a ban on the shipment of grain by any type of transport from the grain receiving enterprise in the presence of grounds provided by paragraph 2 of Article 28 of this Law;

17-6) inspection (check) of the activity of grain receiving enterprises for compliance with the requirements for maintaining quantitative and qualitative accounting and ensuring the safety of grain in accordance with the registry data;

17-7) submission of an application for the introduction and early completion of temporary management of a grain receiving enterprise to the court;

17-8) is excluded by the Law of the Republic of Kazakhstan dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016);

17-9) checking the actual availability and quality of grain from the grain market participants and its compliance with reporting data;

17-10) control of the quantitative and qualitative state of the grain;

17-11) sending of notification on nomination of the candidates for inclusion in the commission for temporary management of the grain receiving enterprise to the holders of grain receipts;

17-12) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016);

17-13) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

17-14) making proposals on introduction of temporary management of the grain receiving enterprise;

18) implementation in favor of the local government of other powers, delegated to the local executive bodies by the legislation of the Republic of Kazakhstan.

2. Is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

3. The competence of the local executive body of the city of republican significance and the capital city shall include:

1) licensing of activity for provision of warehouse services with the issuance of grain receipts;

2) control over compliance by grain-receiving enterprises with the rules for maintaining quantitative and qualitative accounting of grain, storage of grain, formation and maintenance of the state electronic registry of holders of grain receipts in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

3) issuance of orders on violation of the legislation of the Republic of Kazakhstan on grain, consideration of cases on administrative offences in accordance with the legislation of the Republic of Kazakhstan on administrative offences;

4) carrying out monitoring of the grain market within the administrative-territorial unit;

5) sending a notification on submission of candidates for inclusion in the commission for the temporary management of the grain receiving enterprise to the holders of grain receipts;

6) exercising of other powers assigned to local executive bodies by the legislation of the Republic of Kazakhstan in the interests of local government.

Footnote. Chapter is supplemented by Article 6-1 in accordance with the Law of the Republic of Kazakhstan dated 10.01.2006 № 116 (the order of enforcement see Article 2); is in the wording of the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the

order of enforcement see Article 2); as amended by the Law of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 13.06.2013 № 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2013 № 124-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 the day its first official publication); dated 29.10.2015 № 376-V (shall be enforced from 01.01.2016); dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 502-V (the order of enforcement see Art. 2); dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); dated 28.10.2019 № 268-VI (for the procedure of entry into force, see Article 2).

#### **Article 6-2. Agent functions**

Footnote. Article 6-2 is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

#### **Article 6-3. State control in the field of grain market regulation**

State control in the field of grain market regulation shall be exercised in the form of inspection and preventive control with a visit to the entity (facility) being controlled in compliance with the Entrepreneurial Code of the Republic of Kazakhstan.

Footnote. Chapter 2 is supplemented by Article 6-3 in accordance with the Law of the Republic of Kazakhstan 17.07.2009 № 188-IV (the order of enforcement see Article 2); in the wording of the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 06.04.2024 № 71-VIII (effective sixty calendar days after the date of its first official publication).

#### **Article 6-4. Grain market operator**

Grain market operator:

- 1) participates in the implementation of state policy in the field of the grain market;
- 2) ensures the maintenance of a reserve stock of grain;
- 3) carries out the purchase of grain;
- 4) ensure the supply of food grain to flour-grinding organizations in order to regulate the domestic market;
- 5) participates in the formation of seed and forage funds;
- 6) promotes the formation of regional stabilization funds for food products through the purchase and supply of food grains.

Footnote. Chapter 2 is supplemented by Article 6-4 in accordance with the Law of the Republic of Kazakhstan dated December 21, 2020 № 390-VI (shall be enforced ten calendar days after the day of its first official publication).

#### **Article 7. State control over the safety and quality of grain**

1. Grain and its life cycle processes on the territory of the Republic of Kazakhstan shall comply with the requirements of this Law, technical regulations, sanitary and phytosanitary rules and regulations and applicable documents on standardization

2. State control over the safety and quality of grain is carried out by the structural division of the local executive body.

3. State control over the grain quality shall include:

1) control over the definition of quality indicators of grain during the acceptance on the cereal receiving company and shipment;

2) control over the quantitative and qualitative state of the grain.

Footnote. Article 7, as amended by the Laws of the Republic of Kazakhstan dated 11.07.2001 № 231; dated 13.10.2003 № 488; dated 10.01.2006 № 116 (the order of enforcement see Article 2); dated 29.12.2006 № 209 (the order of enforcement see Article 2); dated 17.07.2009 № 188-IV (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 10.07.2012 № 36-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 05.10.2018 № 184-VI (shall be enforced upon the expiration of six months after the day of its first official publication).

#### **Article 7-1. Procedure for monitoring the implementation by domestic grain producers of the obligation for formation of the state reserves of grain**

Footnote. Article 7-1 is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

#### **Article 7-2. Procedure for monitoring the targeted use of grain of the state realizable and state stabilization resources of grain by grain processing organizations**

Footnote. Article 7-2 is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

#### **Article 8. Examination of the quality of grain**

1. Examination of the quality of grain is carried out by the laboratories, accredited in accordance with the legislation of the Republic of Kazakhstan.

2. Sell of grain for export and import without a passport of grain quality, as well as other documents, required under the legislation of the Republic of Kazakhstan is not allowed.

Footnote. Article 8 – is in the wording of the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488. As amended – dated 29 December, 2006 № 209 (the order of enforcement see Article 2).

#### **Article 9. Transportation of grain**

1. Grain transportation on the territory of the Republic of Kazakhstan is carried out by railway, automobile, sea and inland waterway transport that are integral system of direct and mixed traffic.

2. Is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016).

3. The batch of grain to be transported by any type of transport in accordance with the rules of transportation of goods on this type of transport is accompanied by documents confirming its compliance with the requirements of technical regulations and documents on standardization.

4. Is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016).

Footnote. Article 9, as amended by the Laws of the Republic of Kazakhstan dated 13.10.2003 № 488; dated 29.12.2006 № 209 (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 29.09.2014 № 239-V ( shall be enforced upon expiry of ten calendar days after its first official publication); dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016); dated 05.10.2018 № 184-VI (shall be enforced six months after the day of its first official publication).

#### **Chapter 2-1. General safety requirements for grain and processes of its life cycle**

Footnote. Chapter 2-1 is supplemented – by the Law of the Republic of Kazakhstan dated 29 December 2006 № 209 (the order of enforcement see Article 2).

#### **Article 9-1. Objects of technical regulation**

Objects of technical regulation are grain and processes of its life cycle.

#### **Article 9-2. Confirmation of compliance**

Confirmation of compliance of grain with the requirements, determined by technical regulations shall be in accordance with the legislation of the Republic of Kazakhstan.

#### **Article 9-3. Requirements for information on safety and quality of grain**



In order to prevent acts, misleading consumers about the safety and quality of grain, the grain market participants are required to provide buyers and (or) consumers with the complete and accurate information about the safety and quality of grain.

#### **Article 9-4. Grain safety requirements**

1. Grain, depending on the purpose of use, must comply with a set of requirements that ensure safety.

2. The content of potentially hazardous chemical compounds and biological objects, residual amounts of pesticides and fertilizers, including fumigants, harmful substances and impurities in grain, as well as moisture should not exceed the maximum allowable level of values established by technical regulations.

**Footnote. Article 9-4 as amended by the Law of the Republic of Kazakhstan dated October 28, 2019 № 268-VI (shall be enforced ten calendar days after the day of its first official publication).**

#### **Article 9-5. Safety requirements for the production of grain**

**Footnote. Article 9-5 is excluded by Law of the RK № 71-VIII of 06.04.2024 (shall be put into effect upon expiry of sixty calendar days after the day of its first official publication).**

#### **Article 9-6. Safety requirements for the storage of grain**

1. Grain storage is performed in granaries that meet the environmental, construction, fire, sanitary-epidemiological and phytosanitary requirements, ensuring the safety of grain.

2. Safety requirements for the storage of grain by types of risks are established by technical regulations.

#### **Article 9-7. Safety requirements for the transportation of grain**

1. Transportation of grain shall be carried out under the conditions ensuring the safety and security of its quality indicators.

2. Grain is transported in clean, dry, free of foreign smell, no pest infestation vehicles.

#### **Article 9-8. Safety requirements for recycling and destruction of grain**

1. Grains, recognized by the results of laboratory research as unfit for its intended use shall be examined for its further use (recycling) or destruction in the manner, prescribed by technical regulations.

2. Grains for the period necessary for examination and decision on the possibility of its use (recycling) or destruction shall be kept in the separate premises, indicating the volume of the party and shall be subject to the conditions, precluding access to the grain.

3. Expenses, related to transportation, storage, examination, using (recycling) or destruction of grain, unfit for its intended use, shall be paid by the owner.

### **Chapter 3. State support for the production and sale of grain Article 10. Forms of state support**

In order to ensure the stability of the grain market, the state carries out the following forms of support to the production and sale of grain:

1) cheapening for domestic agricultural producers the cost of elite seeds in the order, determined by the authorized body;

2) organization of leasing deliveries of machinery and equipment;

3) *(is excluded).*

4) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

4-1) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

4-2) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

4-3) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

5) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

6) *(is excluded);*

7) funding of research programs for the conservation of soil fertility;

8) assistance in the introduction of new advanced technologies of production and grain storage;

9) *is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016);*

10) creating the conditions for effective circulation of grain receipts;

10-1) cheapening to domestic agricultural producers the cost of fertilizers and fuels and lubricants in accordance with the budgetary programs;

11) take the necessary measures to ensure the essential needs of the domestic market for petroleum products;

12) *(is excluded – by the Law of the Republic of Kazakhstan dated 10 January, 2006 № 116 (the order of enforcement see Article 2 of the Law of the Republic of Kazakhstan № 116)* ;

13) training of personnel for agro-industrial complex in accordance with the state educational order;

14) taking measures to create a competitive environment in the regions for the provision of conformity assessment services in the field of technical regulation;

15) is excluded by the Law of the Republic of Kazakhstan dated 08.06.2015 № 317-V ( shall be enforced upon expiry of thirty calendar days after the day its first official publication) ;

16) adoption of measures to revive the domestic agricultural engineering.

Footnote. Article 10, as amended by the Laws of the Republic of Kazakhstan dated 13.10.2003 № 488; dated 20.12.2004 № 13 (shall be enforced from 01.01.2005); dated 29.12.2006 № 209 (the order of enforcement see Article 2); dated 11.12.2009 № 229-IV (the order of enforcement see Article 2); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 08.06.2015 № 317-V ( shall be enforced upon expiry of thirty calendar days after the day its first official publication) ; dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

#### **Chapter 4. State resources of grain**

Footnote. Chapter 4 is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 02.01.2016).

#### **Chapter 4-1. State regulation of activities of grain exporters Article 12-1. Reporting of grain exporters**

A footnote. Article 12-1 is excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication).

#### **Article 12-2. Suspension and deprivation of license to carry out activities for the sales of grain for export**

Footnote. Article 12-2 is excluded by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012).

#### **Article 12-3. Duty of grain exporters to from state resources of grain**

Footnote. Article 12-3 is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V (shall be enforced from 01.01.2016).

#### **Chapter 5. Cereal receiving companies, current enterprises and service- procurement centres**

Footnote. Title of Chapter 5 is in the wording of the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2).

#### **Article 13. Assignment of cereal receiving company**

1. Cereal receiving companies are recognized as a warehouse of general use. Contracts for grain storage (hereinafter – the contract), entered into by them shall be public contracts.

2. Services of warehousing activities with the issuance of grain receipts shall be carried out by cereal receiving companies under the license.

A legal entity has the right to obtain a license for the right to carry out activities to provide warehouse services with the issuance of grain receipts at one or more grain storages (grain elevators, bakeries) in the manner prescribed by the legislation of the Republic of Kazakhstan on permits and notifications.

Cereal receiving companies are prohibited to dispose fixed assets, without which significantly worsens or becomes impossible to implement fully their service activities for warehouse activities with the issuance of grain receipts in accordance with the qualification requirements for this type of activity.

3. Any person that does not have an appropriate license, is not entitled to:

1) provide services for warehousing activities with the issuance of grain receipts as a main or additional activity, except for the activities, carried out on the current enterprises and (or) service- procurement centres;

2) use in its name, documents, announcements and advertisements of the word “cereal receiving company”, “granary”, “cereal receiving point”, “elevator” or derivative words, suggesting that it operates to provide services for warehouse activities with the issuance of grain receipts.

**Footnote. Article 13, as amended by the Laws of the Republic of Kazakhstan dated 13.10.2003 № 488; dated 10.01.2006 № 116 (the order of enforcement see Art. 2); dated 12.01.2007 № 222 (shall be enforced upon expiry of six months from the date of its official publication); dated 26.07.2007 № 313 (the order of enforcement see Art. 2); dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 16.05.2014 (shall be enforced upon expiry of six months from the date of its official publication); № 203-V dated 16.05.2014 (shall be enforced upon the expiration of six months after the date of its first official publication).**

#### **Article 13-1. Maintenance of the state electronic register of holders of grain receipts**

1. The register shall be formed and maintained by the registrar in accordance with the procedure established by the authorized body on the basis of the data of legal and land cadastres, information of central executive bodies in the sphere of permits and notifications, registration of individuals and legal entities, accounting and financial reporting, other central and local executive bodies , as well as the State Corporation "Government for Citizens".

The procedure for the release, circulation and repayment of grain receipts, the procedure for granting access to the register shall be determined by the Rules for formation and maintenance of the state electronic register of grain receipt holders.

The forms, volume and frequency of data transfer to the register shall be established by the appropriate authorized bodies.

2. The data of the register shall belong to the state.

Access to the registry data for its users shall be provided by the registrar through the web-portal of the registrar information system.

3. The registry data shall be used by the authorized body and local executive bodies for carrying out monitoring of the grain market.

4. Registrar 's functions shall be:

1) formation, maintenance and storage of registry data through the registrar information system;

2) opening a personal account for the client;

3) registration of particular transactions on a personal account;

4) provision of information to state bodies, having the right to receive information included in the registrar information system in accordance with the laws of the Republic of Kazakhstan;

5) provision of paid electronic services to the users of the registrar information system;

6) publication of information on the web-portal of the registrar information system;

7) other functions in accordance with the legislation of the Republic of Kazakhstan.

**Footnote.** Chapter 5 is supplemented by Article 13-1 in accordance with the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 14. Duties of cereal receiving company**

Cereal receiving company shall:

1) comply with the order of grain storage, as well as measures to ensure their qualitative and quantitative safety according to the regulatory legal act, approved in the established order ;

2) ensure where necessary in accordance with established procedure the sampling of grain to its owners;

3) to pay off the grain receipt by releasing the appropriate volume of stored grain in accordance with the terms of the grain storage agreement and on the basis of the order of the grain receipt holder, except for the cases stipulated by Article 31 of this Law and in the absence of debt for storage of grain under this grain receipt.

3-1) accept grain on a first-come, first-served basis, and priority is prohibited.

4) is excluded by the Law of the Republic of Kazakhstan dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016).

**Footnote.** Article 14, as amended by the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); dated 04.12.2015 № 435-V ( shall be enforced from 01.01.2016); dated 09.04.2016 № 502-V (shall be enforced upon

expiry of three months from the day of its first official publication); № 71-VIII of 06.04.2024 (shall be enacted sixty calendar days after the date of its first official publication).

#### **Article 15. Reimbursement of expenses of cereal receiving company for grain storage**

1. Reimbursement of expenses of cereal receiving company for grain storage shall be in accordance with the contract.

2. Cereal receiving company has the right to:

1) cover the cost of storage by money or withholding of an appropriate amount of stored grain with the consent of the holder of grain receipts, followed by its free sale at the grain market;

2) reimburse the expenses, stipulated in the contract or in the legislative acts on the other operations in the interests of the holder of grain receipts.

#### **Article 16. The system and fund (s) guaranteeing the fulfillment of obligations on grain receipts**

1. Participants of the system guaranteeing the fulfillment of obligations under grain receipts can only be cereal receiving companies, on the basis of agreements with fund (s) to guarantee the fulfillment of obligations on grain receipts.

Cereal receiving companies, not involved in the system of guaranteeing the fulfillment of obligations on grain receipts, take out insurance for their civil liability to the holders of grain receipts and its parts, that provides upon the occurrence of the fact of loss or deterioration of the quality of grain received for storage, the insurance payment to each holder of grain receipt in an amount not less than eighty percent of the market value of lost or degraded quality of grain, existing at the time of reimbursement, without conditions of franchise.

2. When occurrence of the fact of loss or deterioration of the quality of grain, received for storage by cereal receiving company that is a participant of the system of guaranteeing the fulfillment of obligations on grain receipts, fund (s) to guarantee the fulfillment of obligations on grain receipts makes the repayment of obligations of this cereal receiving company to the holders of grain receipts in the amount of money not less than eighty percent of the market value of the lost or degraded quality of grain, existing at the time of reimbursement.

The fact of loss or deterioration of the quality of grain is specified by the structural division of the local executive body.

To the fund (s), guaranteeing the fulfillment of obligations on grain receipts that repaid the obligations of the cereal receiving company to the holder of grain receipts, the right to claim that the holder of grain receipt has to this cereal receiving company passes within the amount paid.

Cereal receiving companies –participants of the system of guaranteeing the fulfillment of obligations under grain receipts shall submit to the fund (s), guaranteeing the fulfillment of

obligations on grain receipts the register of grain receipts in order to ensure the fulfillment of the obligations on grain receipts.

3. Cereal receiving companies –participants of the system of guaranteeing the fulfillment of obligations under grain receipts may insure (mutually insure) their property and other property interests in accordance with the legislation of the Republic of Kazakhstan.

4. Satisfaction of claims of holders of grain receipts of cereal receiving company–participant of the system of guaranteeing the fulfillment of obligations under grain receipts, on which in accordance with this Law introduced the temporary administration, shall be made by the fund (s), guaranteeing the fulfillment of obligations on grain receipts on a priority basis in accordance with the legislation of the Republic of Kazakhstan.

**Footnote.** Article 16 is in the wording of the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); 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).

#### **Article 16-1. Current enterprises and service-procurement centres**

As a current enterprises is recognized the technical structure, owned by an individual or legal entity and intended for primary undermining of grain to form the consignments of grain and seeds and their storage.

A current enterprise can be established in the form of a service-procurement centre.

The activity carried out at the barnyard and (or) in the service and procurement center shall not be subject to licensing. Persons engaged in this activity shall have no right to issue grain receipts.

**Footnote.** The Law is supplemented by Article 16-1 in accordance with the Law of the Republic of Kazakhstan dated 13.10.2003 № 488; is in the wording of the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Chapter 6. Regulation of activities of cereal receiving companies Article 17. Methods for regulation of activities of cereal receiving companies**

In order to ensure the compliance of the cereal receiving companies with the qualification requirements in the licensing to provide services of warehouse activities with the issuance of grain receipts, protect the interests of owners of grain, the regulation of cereal receiving companies shall be by:

1) publication of binding to the cereal receiving companies regulatory legal acts in the prescribed manner;

2) inspection (checks) of the activity of grain receiving enterprises for compliance with the qualification requirements for rendering services on warehouse activity with issuance of grain receipts, as well as requirements for maintaining quantitative and qualitative accounting and ensuring the safety of grain in accordance with the registry data;

3) impose sanctions on cereal receiving companies, as well as their officials, in accordance with the legislation;

4) *(is excluded)*.

Footnote. Article 17, as amended – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; dated 20 December 20, 2004 № 13 (entered into force on 1 January 2005); January 10, 2006 № 116 ( the introduction order in action see item 2 of the Law № 116 ); RK Law of July 26, 2007 № 313 ( the introduction order in action see item 2 ); from 15.07.2011 № 461 -IV ( coming into force from 30.01.2012 ); dated 28.10.2019 № 268-VI ( shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 18. State regulation of prices (tariffs) for services, provided by cereal receiving companies in a dominant position**

Footnote. Article 18 is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 19. Limitation of activities of cereal receiving companies**

1. Cereal receiving companies may not engage in activities that are not related to the provision of warehouse activities with the issuance of grain receipts, including to issue guarantees and provide property as collateral for the obligations of third parties, except:

1) production and sale of flour and cereals products, mixed fodders, bakery, pasta, processing and sale of oilseeds and products of their processing;

2) provision of access road services in the absence of a competitive access road, as well as services for the storage of fuels and lubricants, solid fuel;

3) provision of non-productive areas of cereal receiving company to install telecommunications facilities;

4) provision of services for the lease of the base of oil and storage tanks for fuels and lubricants;

5) sale of grain, grain waste and other property received in the process of providing services for the storage of grain;

6) provision of services for the storage of grain waste.

At the same time, the structures operated in connection with the above mentioned types of activity must be technologically connected with the grain storage (elevator, grain receiving point) and (or) be located in one or the adjacent territory. Grain-receiving enterprises shall be



obliged to ensure the maintenance of separate accounting of operations for the provision of services on warehouse activity with issuance of grain receipts and activity, not related to warehouse activity with issuance of grain receipts.

2. Bread receiving enterprises shall be prohibited:

1) is excluded by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

2) impose the conditions of access to the rendered services or perform other actions leading to discrimination against the consumers of the rendered services.

Footnote. Article 19 is in the wording of the Law of the Republic of Kazakhstan dated 13.10.2003 № 488; Article as amended by the Laws of the Republic of Kazakhstan dated 26.07.2007 № 313 (the order of enforcement see Art. 2); dated 21.11.2008 № 89-IV (the order of enforcement see Art. 2); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 10.07.2012 № 33-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 71-VIII of 06.04.2024 (shall enter into force sixty calendar days after the date of its first official publication).

#### **Article 20. Audit of cereal receiving company**

1. To check and confirm the reliability of the annual financial statements of cereal receiving company, as well as the current state of its affairs, the cereal receiving company conducts mandatory annual audits.

2. If the administration body of company evades the audit of the annual financial statements of cereal receiving company, as well as the current state of its affairs, audit may be assigned to the court decision upon the application of any interested person.

3. Implementation of inspection of the administration body of cereal receiving company by auditing commission (auditor) shall not exempt the cereal receiving company from the obligation to conduct audit.

#### **Article 21. Accounting and reporting of cereal receiving companies**

A footnote. Article 21 shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon the expiration of ten calendar days after the day of its first official publication).

#### **Article 22. Publication of main performance indicators of cereal receiving company**

Cereal receiving companies publish in the media an annual balance sheet and profit and loss statement in the form, prescribed by the legislation of the Republic of Kazakhstan, within one calendar month after the deadline for their submission to the bodies of government revenue.

Footnote. Article 22 is in the wording of the Law of the Republic of Kazakhstan dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after its first official publication).

### **Article 23. Accounting and storage of documents**

1. Cereal receiving companies are required to provide strict accounting and storage of documents, reflecting the transactions with grain, made by them.

2. List of documents, to be stored and the storage periods shall be established by the legislation.

### **Article 24. Inspection (verification) of activities of cereal receiving companies**

Footnote. Article is excluded by the Law of the Republic of Kazakhstan dated 26 July, 2007 № 313 (the order of enforcement see Art. 2).

### **Article 24-1. State Grain Inspector and his (her) powers**

Footnote. Article is excluded by the Law of the Republic of Kazakhstan dated 26 July, 2007 № 313 (the order of enforcement see Art. 2).

### **Article 25. Responsibility of cereal receiving companies**

1. In cases of detection of violations of regulatory legal acts on storage, quantitative and qualitative accounting of grain, as well as the formation and maintenance of the state electronic register of holders of grain receipts, unlawful actions or inaction of officials of grain receiving enterprises that may threaten the interests of holders of grain receipts issued this grain-receiving enterprise, a structural unit of the local executive body has the right to apply one of the following types of liability to a grain-receiving enterprise:

1) the imposition and collection of a fine on the grounds established by the laws of the Republic of Kazakhstan;

2) (is excluded – by the Law of the Republic of Kazakhstan dated 10 January, 2006 № 116 (the order of enforcement see Art. 2 of the Law of the Republic of Kazakhstan № 116);

3) introduction of a temporary administration of the cereal receiving company in the cases specified in Article 28 of this Law.

2. In the case of carrying out activities to provide services for warehouse activity with the release of grain receipts without a corresponding license, revenues from these operations (activities) shall be withdrawn to the appropriate budget in the manner established by the legislation of the Republic of Kazakhstan.

3. Imposition on cereal receiving companies, their officials, fines and their collection shall be made in the manner prescribed by the legislative acts of the Republic of Kazakhstan.

Footnote. Article 25 as amended – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; dated 10 January, 2006 № 116 (the order of enforcement see Art. 2 of the Law of the Republic of Kazakhstan № 116); dated 26 July, 2007 № 313 (the order of enforcement see Art. 2); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 09.04.2016 № 502-V (the order of enforcement see Art. 2).

#### **Article 26. Suspension of activity, deprivation of license for provision of services in the warehouse activities with the issuance of grain receipts**

Footnote. Title, as amended by the Law of the Republic of Kazakhstan dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012).

Suspension of activity, deprivation of license for provision of services in warehouse activities with the issuance of grain receipts, shall be carried out in accordance with the legislation of the Republic of Kazakhstan on Administrative Offences.

Footnote. Article 26 as amended – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; dated 29 December, 2006 № 209 (the order of enforcement see Art. 2); Article is in the wording of the Law of the Republic of Kazakhstan dated 26 July, 2007 № 313 (the order of enforcement see Art. 2); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012).

#### **Article 27. Deprivation of license to carry out activities for grain storage**

Footnote. Article is excluded by the Law of the Republic of Kazakhstan dated 26 July, 2007 № 313 (the order of enforcement see Art. 2).

#### **Article 28. Temporary management of cereal receiving company**

1. Temporary management of cereal receiving company is compulsory conduct of complex administrative, legal, financial, organizational, technical and other measures and procedures in relation to cereal receiving companies to ensure their obligations on grain receipts.

2. Temporary management on cereal receiving company is introduced by the court decision in the presence of one of the following facts:

- 1) systematic improper fulfillment of contractual obligations on grain storage;
- 2) excess of the amount of grain, provided by grain receipts over the actual amount of grain, stored at cereal receiving company.

3. Temporary management of cereal receiving company shall be carried by commission for temporary management and temporary administration.

4. Temporary management of cereal receiving company shall be carried at the expense of cereal receiving company.

5. The commission members for temporary management, members of the temporary administration shall be liable under the laws of the Republic of Kazakhstan for damage, caused to cereal receiving company by unlawful actions during the temporary management.

Footnote. Article 28 as amended – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; by the Law of the Republic of Kazakhstan dated 26 July, 2007 № 313 (the order of enforcement see Art. 2); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 29. Introduction of temporary management of cereal receiving company**

Footnote. Article 29 is excluded 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).

#### **Article 30. Commission on temporary management**

1. The commission for temporary management consists of representatives of the authorized body, local executive body, grain receiving enterprise, holders of grain receipts issued by this grain receiving enterprise, fund (funds) guaranteeing the fulfillment of obligations under the grain receipts with which the grain receiving enterprise has concluded a participation contract.

2. Before making a decision on introduction of temporary management, the structural division of the local executive body directs cereal receiving company, fund (s) to guarantee the fulfillment of obligations on grain receipts, with which the cereal receiving company entered into a contract of participation and all holders of grain receipts, issued by the cereal receiving company, a proposal to present within three days the candidates for the Commission on temporary management.

In case of failure or refusal to present the candidates, the structural division of the local executive body may independently form the commission for temporary management.

3. The competence of the commission for temporary management includes:

- 1) appointment (dismissal) of members of the temporary administration;
- 2) approval of the report of the temporary administration on the results of activities;
- 3) monitor the activities of the temporary administration.

4. If the cereal receiving company is not a participant of the fund (s) to guarantee the fulfillment of obligations on grain receipts, the votes of representatives to the commission for temporary management shall be allocated in the decision-making in the percentage as follows

:

- 1) holders of grain receipts - fifty percent;
- 2) cereal receiving company - twenty-five percent;
- 3) the authorized body - twenty-five percent.

5. In the case of participation of the cereal receiving company in the fund (s) to guarantee the fulfillment of obligations on grain receipts, the votes of representatives to the commission for temporary management shall be allocated in the decision-making in the percentage as follows:

- 1) holders of grain receipts - twenty-five percent;
- 2) cereal receiving company - twenty-five percent;
- 3) the authorized body - twenty-five percent;
- 4) the fund (s) to guarantee the fulfillment of obligations on grain receipts - twenty-five percent.

6. Commission for temporary management has the right to make decisions in the participation of representatives with at least two thirds of the total votes.

Decisions of the commission for temporary management shall be taken by majority vote.

7. Other issues of formation of the commission for temporary management, organization of its activities shall be determined by the legislation of the Republic of Kazakhstan.

**Footnote. Article 30 is in the wording of the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); 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 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

### **Article 31. Temporary administration**

1. Temporary administration shall be appointed by the commission for temporary management.

2. During the period of temporary management of cereal receiving company:

1) all powers to manage cereal receiving company shall be transferred to the temporary administration;

2) the rights of the founders (shareholders) to manage cereal receiving company shall be suspended;

3) the powers of the governing bodies of cereal receiving company and its executives shall be suspended;

4) all transactions, made on behalf of and at the expense of cereal receiving company without the knowledge and written consent of the temporary administration shall be deemed invalid.

3. Temporary administration shall be entitled to:

1) make decisions on all matters of the cereal receiving company within its competence as defined by this Law;

2) suspend for the period of temporary management the satisfaction of all claims, arising from the grain receipts, up to twenty percent of the amount of grain, specified therein;

- 3) enter into contracts and sign documents, aimed at restoring the obligations of cereal receiving company, under the grain receipts issued by it;
- 4) act on behalf of and in the interests of cereal receiving company, including in court;
- 5) in the case of participation of cereal receiving company in the fund to guarantee the fulfilment of grain receipts, make claims to the fund for debt repayment under the obligations, arising from grain receipts, issued by the cereal receiving company on a priority basis;
- 6) engage independent experts to assess the operational issues, associated with the storage of grain;
- 7) issue for the period of temporary management of cereal receiving company the orders within the competence in accordance with the legislation of the Republic of Kazakhstan.

4. (Is excluded from 15 May, 2007 № 253).

Footnote. Article 31, as amended by the Law of the Republic of Kazakhstan dated 15 May , 2007 № 253.

#### **Article 32. Control over the activities of the temporary administration**

Footnote. Article 32 is excluded 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).

#### **Article 33. Termination of temporary management of cereal receiving company**

1. Temporary management of cereal receiving company shall be terminated on the following grounds:

- 1) after the period of temporary management, set by the decision of the court;
- 2) the courts decides the early termination of temporary management;

2. One of the following grounds for early termination of temporary management shall be:

1) reducing the ability of cereal receiving company to fulfill their obligations under grain receipts issued;

2) satisfaction of all announced during the temporary management requirements of holders of grain receipts in full in the absence of circumstances affecting the proper fulfillment of the requirements of other holders of grain receipts.

3. Termination of temporary management of cereal receiving company (including early termination) in connection with the elimination of the reasons that led to its introduction entails the abolition of all restrictions on the cereal receiving company, established by the court decision.

4. If the temporary management of cereal receiving company does not lead to restoration of the ability to fulfill obligations under grain receipts, the temporary administration:

1) make a proposal to the relevant local executive body to deprive a grain-receiving enterprise of a license for the right to carry out activities on provision of services for warehouse activity with issuance of grain receipts;

2) before the expiry of the temporary management filed a lawsuit in court on forced liquidation of cereal receiving company.

In the termination of temporary management in the period of consideration of the lawsuit on forced liquidation of cereal receiving company all rights and obligations of the plaintiff shall be transferred to persons performing the functions of the temporary administration”;

Footnote. Article 33 is in the wording of the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of six months from the date of its official publication); as amended by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Chapter 6-1. Checking the activities of grain receiving enterprises**

Footnote. The title of Chapter 6-1 as amended by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 33-1. Inspection of bakery operations**

Footnote. Article 33-1 is excluded by Law of the RK № 71-VIII of 06.04.2024 (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

#### **Article 33-2. State grain inspector and his (her) powers**

1. Head of the authorized body may assign the additional special names “Chief state inspector of grain of the Republic of Kazakhstan” and “state grain inspector” to the relevant positions of public servants.

2. State grain inspector of the authorized body shall perform the following functions:

1) shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication);

2) participation in the annual survey of cereal receiving companies for their compliance with the qualification requirements;

3) is excluded 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);

4) is excluded 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);

5) is excluded 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);

6) issuance of instructions to grain-receiving enterprises and local executive bodies in case of detecting violations of the legislation of the Republic of Kazakhstan on grain;

7) drawing up protocols on administrative violations and making suggestions about bringing to administrative responsibility in accordance with the legislation of the Republic of Kazakhstan on Administrative Offences;

8) is excluded 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).

3. shall be excluded by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication);

Footnote. Chapter 4-1 is supplemented by Article 33-2 in accordance with the Law of the Republic of Kazakhstan dated 26.07.2007 № 313 (the order of enforcement see Art. 2); as amended by the Law of the Republic of Kazakhstan dated 17.07.2009 № 188-IV (the order of enforcement see Art. 2); dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2); dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 15.07.2011 № 461-IV (shall be enforced from 30.01.2012); dated 10.07.2012 № 36-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 24.05.2018 № 156-VI (shall be enforced upon expiration of ten calendar days after the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

## **Chapter 7. Liquidation of cereal receiving companies and the procedure for alienation of granaries (elevators, cereal receiving points)**

Footnote. Title is amended – by the Law of the republic of Kazakhstan dated 13 October, 2003 № 488.

### **Article 34. Types and grounds for liquidation of cereal receiving companies**

1. Cereal receiving company may be liquidated:

1) under the decision of its founders (shareholders) the voluntary liquidation, in the absence of accounts payable. In this case, a notification to the structural division of the local executive body shall be sent;

2) by the court decision in the cases stipulated by the legislative acts of the Republic of Kazakhstan (compulsory liquidation).

2. Termination of activity of the cereal receiving companies shall be in accordance with the legislative acts of the Republic of Kazakhstan with the requirements of the legislation of the Republic of Kazakhstan on Rehabilitation and Bankruptcy, and this Law.



Footnote. Article 34, as amended by the Law of the Republic of Kazakhstan dated 07.03.2014 № 177-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 35. Grounds for compulsory liquidation of cereal receiving companies**

Liquidation of cereal receiving companies shall be by the court in cases of:

- 1) bankruptcy;
- 2) carrying out activities without proper authorization (license) or any activity, prohibited by the legislative acts, or with the repeated or gross violation of the legislation;
- 3) in other cases, stipulated by the legislative acts.

### **Article 36. Recognition of cereal receiving company as bankrupt**

1. Cereal receiving company can be recognized as bankrupt by the court decision only in the prescribed manner.

2. The possibility of amicable agreement of the parties in the case of bankruptcy of cereal receiving company, is excluded.

Footnote. Article 36, as amended by the Law of the Republic of Kazakhstan dated 05.07.2008 №60-IV (the order of enforcement see Art. 2).

### **Article 37. Features of alienation of granary (elevator, cereal receiving point) of cereal receiving company**

1. Granary (elevator, cereal receiving point) of cereal receiving company is indivisible property and shall be alienated by a single complex with the term of its use by a purchaser (recipient) for the purpose of storage of grain.

2. The grain receiving enterprise shall notify the registrar in written form about the alienation of the property complex for publication of information on the web-portal of the registrar information system, as well as to make an announcement about it in the republican print media on the state and Russian languages not later than two months before the sale of the grain storage facility (elevator, grain-receiving point).

3. Upon the alienation of the property complex by cereal receiving company, the holder of grain receipts retains the right to early terminate the contract on storage and get grain in the established order, or renew the contract of storage with the new owner of granary (elevator, cereal receiving point) on the same conditions, as with the previous owner.

4. Transactions on the sale of granary (elevator, cereal receiving point) by cereal receiving company, committed in violation of paragraphs 1-3 of this Article, may be invalidated by the court at the suit of grain receipts holders and other interested parties.

5. The person who has purchased the granary (elevator, grain receiving point) or received it in the order of the court decision execution, the arbitration decision, shall be liable for the obligations arising from grain receipts released by the former grain receiving enterprise in the amount established by the inventory of grain balances compiled by the commission on acceptance and transfer of grain.

In the case that the act of inventory of the remains of grain was not compiled, the new owner of the granary (elevator, grain receiving point) shall be responsible for all grain receipts released by the former grain receiving enterprise.

Footnote. Article 37 – is in the wording of the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; 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 08.04.2016 № 489-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

### **Article 38 The sequence of satisfying the claims of creditors of a rehabilitated, as well as a grain-receiving enterprise liquidated forcibly**

Footnote. The heading of Article 38 is as amended by the Law of the Republic of Kazakhstan dated December 27, 2019 № 290-VI (shall be enforced ten calendar days after the day of its first official publication).

1. Claims of creditors of the compulsorily liquidated cereal receiving company, including in connection with its bankruptcy, shall be satisfied in the manner prescribed in this Article.

2. Costs, associated with the liquidation production, including activities to ensure the liquidation committee of cereal receiving company, as well as costs, arising from the need to ensure the basic functions of the liquidated cereal receiving company, shall be paid out of turn and constantly.

3. Claims of creditors, recognized in the prescribed manner, must be satisfied in the following order:

1) firstly, the claims of citizens to whom the liquidated cereal company is responsible for damage to life or health;

2) secondly, estimates of wages of persons, working under an employment contract shall be made;

3) thirdly, the claims of holders of grain receipts, containing information about the pledge shall be satisfied;

4) in the fourth stage, the claims of holders of grain receipts that do not contain information about the pledge shall be satisfied;

5) in the fifth stage, the claims of creditors under the obligations, secured by a pledge of property of the liquidated cereal receiving company shall be satisfied;

6) in the sixth stage, the liabilities on obligatory payments to the budget shall be paid;

7) in the seventh stage, calculation of value with other creditors shall be paid in accordance with the legislative acts.

**Footnote. Article 38 as amended by the Law of the Republic of Kazakhstan dated 27.12.2019 № 290-VI (effective after ten calendar days after the date of its first official publication).**

## **Chapter 8. Grain receipts Article 39. Grain receipt**

1. The grain receiving enterprise, in confirmation of acceptance of grain for storage, shall issue a grain receipt in the registrar information system on the basis of an order for issuance of a grain receipt.

2. The grain receipt must contain the following mandatory requisites:

1) the number of the grain receipt;

2) name, location and business identification number of the grain receiving enterprise that accepted the grain for storage;

3) name, location, business identification number of the legal entity, or last name, first name, patronymic (if any), place of residence, individual identification number, number of the identity document of the individual who handed over the grain for storage;

4) name, location, business identification number of the legal entity or the name, first name, patronymic (if any), place of residence, individual identification number, number of the identity document of the individual who is the pledgee (when pledging grain on a grain receipt);

5) the type of grain, its quantitative and qualitative characteristics;

6) the date to which payment is made for grain storage services;

7) the date of the grain receipt release.

3. Grain receiving enterprises shall be prohibited from releasing grain receipts for the volume of grain exceeding the technical capacity of the grain receiving enterprise.

**Footnote. Article 39 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

### **Article 39-1. Requirements for the release of grain receipt**

1. Grain receipt shall be released for each lot of grain of homogeneous quality. The quantity of grain receipts for the whole volume of the delivered grain shall be determined in the order for the release of grain receipt, which is formed in the register and signed by the grain receiving enterprise and the grain owner.

2. The grain-receiving enterprise shall issue grain receipts no later than three working days from the date of grain acceptance.

Footnote. Chapter 8 is supplemented with Article 39-1 in accordance with Law of the Republic of Kazakhstan No 488 dated October 13, 2003; in the new wording of Law of the Republic of Kazakhstan № 502-V dated 09.04.2016 (shall be enforced upon expiry of three months from the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 40. Rights of holders of grain receipts and its parts**

Footnote. Article 40 is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Article 40-1. Transfer of rights under grain receipts and its parts**

Footnote. It is supplemented by Article 40-1 – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Article 41. Grain release on a grain receipt**

1. The holder of a grain receipt for the demand of grain shall be obliged to arrive by himself or send an authorized representative to the location of the grain receiving enterprise.

2. The release of grain shall be carried out on the basis of an order for the repayment of a grain receipt formed in the register by the holder of a grain receipt or grain receiving enterprise. After the grain is released, a grain receipt shall be paid in the manner prescribed by the Rules for formation and maintenance of the state electronic register of grain receipt holders.

Footnote. Article 41 in the new wording of the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Article 41-1. The procedure for exercising rights with a pledge of grain**

1. When the debt is repaid by the holder of a grain receipt in the amount of the obligation to the creditor, the pledgee shall be required to register an order for the removal of the encumbrance (pledge) in the register.

2. In case of non-performance or improper performance of an obligation certified by a pledge certificate, the holder of the pledge certificate have the right to foreclose on the grain indicated in the pledge certificate.

3. If by the time of the foreclosure, the grain was claimed from the grain receiving enterprise by the holder of the warehouse certificate, and the receiving enterprise was provided with a document certifying the fulfillment of the obligation secured by the pledge and payment of compensation on it, the holder of the pledge certificate shall be obliged to return the pledge certificate for repayment.

**Footnote.** Chapter 8 is supplemented with Article 41-1 in accordance with Law of the Republic of Kazakhstan № 488 dated 13 October, 2003; in the new wording of Law of the Republic of Kazakhstan № 502-V dated 09.04.2016 (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Article 41-2. Sale of the pledged grain**

1. The pledgee, in case of dissatisfaction in the term of his demand secured by a pledge of grain, shall have the right to sell the pledged grain and cover its claims primarily to other creditors of the pledgor in the manner established by the legislation of the Republic of Kazakhstan.

Satisfaction of the claim of the pledgee from the value of the pledged grain shall be made, unless otherwise established by the agreement, by selling the pledged grain in a compulsory out-of-court order from the bidding, which the trustee of the pledge organizes and conducts.

The authorized person of the pledgee shall draw up a notification to the pledger on non-fulfillment of the obligations, stipulated by the pledge contract, and at the same time publish a notice on holding tenders on the web-portal of the registrar information system and in the mass media, including information about the time, venue, subject of the tenders, and the procedure for holding it, registration of participation in tenders and the initial price of the pledged grain.

Bidding shall be held not earlier than fourteen calendar days from the date of publication of the announcement in the mass media.

2. Money from the sale of grain in the trades shall be distributed in the following order:

- 1) primarily covers the costs, related to the organization and conduct of trades;
- 2) secondly, the cereal receiving company shall be paid a fee for storage services;
- 3) thirdly, the claims of the pledgee shall be satisfied;
- 4) in the fourth turn the amount remaining from the sale of grain shall be returned to the holder of the grain receipt.

3. Claims of each queue shall be satisfied after full satisfaction of the previous turn.

**Footnote.** It is supplemented by Article 41-2 – by the Law of the Republic of Kazakhstan dated 13 October, 2003 № 488; dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); dated 28.10.2019 № 268-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

#### **Article 41-3. Loss or damage to the grain receipt**

Footnote. The Law is supplemented by Article 41-3 in accordance with the Law of the Republic of Kazakhstan dated 13.10.2003 № 488; is excluded by the Law of the Republic of Kazakhstan dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication).

#### **Article 41-4. Responsibility for violation of the legislation of the Republic of Kazakhstan on grain**

Violation of the legislation of the Republic of Kazakhstan on grain shall be punishable under the laws of the Republic of Kazakhstan.

Footnote. The Law is supplemented by Article 41-4 in accordance with the Law of the Republic of Kazakhstan dated 11.12.2009 № 229-IV (the order of enforcement see Art. 2).

#### **Chapter 9. Final Provisions Article 42. Procedure for the enactment of this Law**

This Law shall enter into force from the date of official publication.

The President  
of the Republic of Kazakhstan