



On currency regulation and currency control

Invalidated Unofficial translation

The Law of the Republic of Kazakhstan dated 13 June 2005 No. 57.

N o t e R C L I !

The law is no longer in force by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 167-VI (entered into force from 01.07.2019)

Unofficial translation

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This Law regulates social relations arising upon implementation of the rights to currency valuables by residents and non-residents, and ?? defines the goals, objectives and procedure for currency regulation and currency control.

CHAPTER 1. GENERAL PROVISIONS

Article 1. Basic definitions

The following basic definitions shall be used in this Law:

1) exchange offices - specially equipped places for conducting exchange transactions with foreign currency in cash;

2) currency means monetary units adopted by states as legal tender, or official standards of value in cash and non-cash form, in the form of bank notes, treasury notes and coins, including ones made from precious metals (including those withdrawn or being withdrawn from circulation, but subject to exchange for monetary notes in circulation), as well as funds in accounts, including in international monetary and calculation units;

3) currency valuables??:

foreign currency;

securities and payment documents with face value expressed in foreign currency;

securities without face value issued by non-residents;

refined gold in bullion;

national currency, securities and payment documents with face value expressed in national currency, when operations are carried out therewith between residents and non-residents, as well as between non-residents;

securities without face value issued by residents, when operations are carried out therewith between residents and non-residents, as well as between non-residents;

4) currency operations:

operations connected with the transfer of ownership and other rights to currency valuables, as well as the use of currency valuables as legal tender;

import, remittance and transfer to the Republic of Kazakhstan, as well as export, remittance and transfer from the Republic of Kazakhstan of currency valuables, national currency, securities and payment documents with face value expressed in national currency, securities without face value issued by residents;

5) currency agreement means an agreement, the constituent documents, including amendments and additions thereto, as well as other documents on the basis and (or) in pursuance of which currency operations are carried out;

5-1) an account number of the contract means a registration number designed to secure the accounting and reporting on currency operations and assigned by the authorized bank to the currency agreement providing for export (import);

6) commercial credits mean a delay of payment or prepayment (advance payment) on export or import carried out directly between suppliers (sellers) and recipients (buyers) of goods (works, services);

7) financial loans:

loans (excluding commercial credits);

contributions (deposits) with banks made by their subsidiaries formed abroad to raise funds on the international capital markets;

money being transferred as security for obligations of the debtor;

financing of the acquisition of goods (works, services) and other transactions by third parties, as well as the performance of obligations of the debtor to the creditor by third parties resulting in an obligation of the person instead of whom the obligation was fulfilled to repay the money and other property with or without the reward to the person that provided such financing, and (or) carried out such performance;

financial leasing, as well as real estate lease (with the exception of movable things, equal or referred by the legislative acts of the Republic of Kazakhstan to real estate) with a subsequent purchase;

8) *Is excluded by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication);*

9) non-residents:

individuals, legal entities, their branches and representative offices not specified in subparagraph 10) of this Article;

international organizations, unless otherwise specified by an international (intergovernmental) agreement on their formation;

diplomatic and other official representatives of foreign states;

10) residents:

citizens of the Republic of Kazakhstan, including ones located temporarily abroad or in state service on behalf of the Republic of Kazakhstan beyond its boundaries, with the exception of citizens of the Republic of Kazakhstan possessing a document entitling them for permanent residence in a foreign state issued in accordance with the legislation of such state;

foreigners and stateless persons possessing a document entitling them for permanent residence in the Republic of Kazakhstan;

all legal entities established under the legislation of the Republic of Kazakhstan located in the territory of the Republic of Kazakhstan, as well as their branches and representative offices located in the Republic of Kazakhstan and beyond its boundaries ;

diplomatic, trade and other official representative offices of the Republic of Kazakhstan located outside of the Republic of Kazakhstan;

11) Direct investments:

investments of money, securities, things, property rights, including rights to results of intellectual creative activity, and other property in payment for shares (for contributions of participants to) in a legal entity, if ten or more percent of the voting shares (ten or more percent of votes of the total number of votes of participants) of the legal entity belongs to or, as a result of such investment, would belong to the person making such investments;

investment of property resulting in increases of capital other than the authorized capital of a legal entity, being made by the person who owns ten or more percent of the voting shares (ten or more percent of votes of the total number of votes of participants) of the legal entity;

12) Note by RCLII!

Sub-point 12) provided in wording of the Law of the Republic of Kazakhstan dated 24.11.2015 № 422-V (shall be enforced from 16.12.2020).

12) authorized banks mean banks and organizations formed in the Republic of Kazakhstan and engaged in certain kinds of banking operations, which conduct currency operations, including on the instructions of clients, with the exception of those specified in subparagraph 13) of this Article;

13) authorized organizations - legal entities established under the legislation of the Republic of Kazakhstan, the sole activity of which is to manage exchange transactions with foreign currency in cash;

14) national currency means currency of the Republic of Kazakhstan;

15) foreign currency means currency of a foreign state, as well as international monetary or calculation units;

16) foreign banks mean banks and other financial institutions formed outside the Republic of Kazakhstan and having the right to conduct banking operations under legislation of the states where they were registered;

17) export (import) means realization of goods, performance of works and provision of services by a resident to a non-resident (by a non-resident to a resident).

Footnote. Article 1 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); as amended by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Article 2. Currency legislation of the Republic of Kazakhstan

1. Currency legislation of the Republic of Kazakhstan shall be based on the Constitution of the Republic of Kazakhstan and it shall consist of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If an international agreement ratified by the Republic of Kazakhstan establishes rules other than those contained herein, the rules of the international agreement shall be applied.

Article 3. Scope of application of the this Law

This Law shall be effective in the territory of the Republic of Kazakhstan and apply to residents of the Republic of Kazakhstan and non-residents carrying out currency operations in the territory of the Republic of Kazakhstan.

Outside of the Republic of Kazakhstan, this Law shall be applied to residents of the Republic of Kazakhstan.

CHAPTER 2. CURRENCY REGULATION

Article 4. Goals and objectives of currency regulation

1. The goal of currency regulation shall be facilitating implementation of state policy on achievement of sustainable economic growth and maintaining economic security.

2. The objectives of currency regulation shall be:

1) establishment of the procedure for circulation of currency valuables in the Republic of Kazakhstan;

2) creation of conditions for further integration of the Republic of Kazakhstan into the world economy;

3) maintenance of a database on currency operations and capital flows.

Article 5. Currency regulation bodies

1. The National Bank of the Republic of Kazakhstan shall be the main currency regulation body in the Republic of Kazakhstan.

2. The Government of the Republic of Kazakhstan and other state bodies shall carry out currency regulation within their competence.

3. The National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan shall issue regulatory legal acts obligatory for residents and non-residents in accordance with this Law and within their competences.

Regulatory legal acts on currency regulation issues developed by the currency regulation bodies shall be subject to obligatory coordination with the National Bank of the Republic of Kazakhstan.

4. The National Bank of the Republic of Kazakhstan as the main currency regulation body shall establish:

1) the procedure for and requirements to implementation of the activity on the management of exchange transactions with foreign currency in cash;

2) the procedure for carrying out the currency operations by residents and non-residents, including currency regulation regimes of:

Note of the RCLI!

The second paragraph of subparagraph 2) shall be valid until 31.12.2006 in accordance with the Art. 34 of the Law.

licensing;

registration;

notification;

3) the procedure for monitoring currency operations of non-residents engaged in activities in the territory of the Republic of Kazakhstan (currency monitoring);

4) currency operation recording and reporting forms to be used mandatory by all residents and non-residents in coordination with authorized state bodies within their competences.

The currency operations, in respect of which this Law does not establish the procedure for their implementation, shall be carried out without restrictions.

Footnote. The Article 5 as amended by the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Article 6. Requirements to implementation of the activity on the management of exchange transactions with foreign currency in cash

1. The management of exchange transactions with foreign currency in cash in the Republic of Kazakhstan is carried out by authorized banks entitled to manage exchange transactions with foreign currency in keeping with a license issued to them or the right under the laws of the Republic of Kazakhstan and authorized organizations.

2. An authorized organization carries out its activity through its exchange offices on the basis of a license issued by the National Bank of the Republic of Kazakhstan for the management of exchange transactions with foreign currency in cash and an annex (annexes) thereto indicating the exchange office (exchange offices) of the organization.

To obtain a license, an authorized organization must have an exchange office.

3. The National Bank of the Republic of Kazakhstan establishes rules for the management of exchange transactions with foreign currency in cash in the Republic of Kazakhstan, including the procedure and conditions for licensing authorized organizations, requirements to the activity related to the management of exchange transactions with foreign currency in cash and also the procedure for notification by an authorized bank of opening its exchange offices, resumption of their activity, their closing.

4. Qualification requirements to authorized organizations include those to the composition of founders, the institutional and legal form, the size and procedure for the formation of the authorized capital, to the premises, equipment and personnel of exchange offices, as well as restrictions on the establishment of subdivisions and participation in other legal entities.

5. To obtain a license and/or an annex thereto, authorized organizations shall submit to the National Bank of the Republic of Kazakhstan the documents specified in subparagraphs 8), 9) of part one of article 10 of this Law in addition to the documents defined in accordance with the Law of the Republic of Kazakhstan “On Permits and Notifications” under the terms and in accordance with the procedure established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

6. The issuance of a license (including an annex thereto) for conducting the activity on the management of exchange transactions with foreign currency in cash or refusal to issue a license shall be made within thirty working days from the date of submission of the full set of documents by an authorized organization.

The issuance of an annex to a valid license or the renewal of a license and/or an annex thereto or refusal to issue such documents shall be made within ten working days from the date of submission of the full set of documents by an authorized organization.

In case of the refusal to issue, renew a license and (or) an annex thereto, an applicant shall receive a reasoned response in writing.

7. Grounds for refusing to issue a license and (or) an annex thereto are as follows:

- 1) failure to submit the documents or information specified in this Law;
- 2) non-compliance of an applicant with the requirements specified in this Law;
- 3) other grounds provided for by the laws of the Republic of Kazakhstan.

8. Authorized banks shall notify the National Bank of the Republic of Kazakhstan of opening their exchange offices, suspending, resuming their activity, their closing.

An authorized bank shall notify of opening its exchange office on or prior to the day the exchange office begins to conduct transactions. The National Bank of the Republic of Kazakhstan confirms the receipt of the notification within ten working days from the notification date and issues a standard document - the certificate of the exchange office of the authorized bank.

The regulatory legal act of the National Bank of the Republic of Kazakhstan establishes the forms and procedure for providing information on the activity on the management of exchange transactions with foreign currency in cash.

Footnote. Article 6 in the new wording of the Law of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Note of the RCLI!

The Article 7 shall be valid until 31.12.2006 in accordance with the Art. 34 of the Law.

Article 7. Licensing of currency operations

1. The National Bank of Kazakhstan shall issue licenses for currency operations provided for by Chapter 4 herein.

2. A resident-participant of a currency operation shall be obliged to apply for a license prior to opening an account or commencement of performance of the contractual obligations by one of the parties, or within thirty calendar days from the date of expiry of the period specified in the second part of paragraph 5, paragraph 7 of the Article 20, subparagraph 2) of paragraph 3 of the Article 25 herein.

3. To obtain a license, aside from the documents specified in accordance with the Law of the Republic of Kazakhstan "On Licensing", residents shall submit to the National Bank of the Republic of Kazakhstan the documents referred to in subparagraphs 1)-8), 10) of the first part of the Article 10 herein according to the terms and the procedure provided for by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan shall have the right to additionally request documents referenced in the documents submitted.

4. In a regulatory legal act the National Bank of the Republic of Kazakhstan shall establish requirements:

1) in respect of the volumes of currency operations subject to licensing in accordance with paragraph 3 of the Article 22 herein;

2) in respect of the terms of the transaction between a resident and non-resident, that has the right to exercise professional activity on securities market under the legislation of the state where it was registered, which provides the commission of operations by the non-resident on the instructions of, in the interest and on the account of the client - resident subject to licensing in accordance with paragraph 2 of the Article 22 of this Law;

3) for presentation of the justification for the absence of a possibility for carrying out currency operations through accounts with authorized banks in respect to operations subject to licensing under the Article 25 herein.

5. Grounds for refusal to grant a license shall be:

1) failure to submit documents or other information specified in accordance with this Law;

2) inconsistency of the operation conducted with the legislation of the Republic of Kazakhstan;

3) failure of the currency operation conducted and (or) the applicant to meet the requirements provided for in accordance with this Law;

4) the presence of back taxes, past-due debt under credits given from the budgetary funds, government external loans, and upon the claims arising as a result of the performance of government guarantees - in relation to currency operations subject to licensing in accordance with the Articles 22 and 25 of this Law;

5) other grounds provided for by legislative acts of the Republic of Kazakhstan.

When the issuance of a license is refused, a substantiated written response stating the reasons for the refusal shall be given to the applicant.

6. A regulatory legal act of the National Bank of Kazakhstan shall establish a minimum amount of the currency operation subject to licensing, as well as forms and procedures for the submission of information on currency operation in accordance with an issued license.

Article 8. Registration regime

Footnote. The heading is in the wording of the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

1. The National Bank of Kazakhstan shall conduct registration of currency operations specified in Chapter 4 herein.

2. The registration regime shall include registration of a currency agreement and the subsequent submission of information on the registered currency agreement by the resident.

3. A resident-participant of a currency operation shall be obliged to apply to the National Bank of the Republic of Kazakhstan for registration:

1) if the registration regime initially applies on a currency agreement - before commencement of the performance of obligations by one of the parties;

2) if the performance of the obligation by one of the parties causes the application of the registration regime on a currency agreement - before commencement of the performance of such an obligation;

3) if the registration regime applies to a currency agreement as a result of introduction of amendments and (or) additions thereto and, in case of necessity to perform the obligations by one of the parties within thirty calendar days from the date when the registration regime became applicable to the currency agreement - before commencement of the performance of such obligations;

4) in other cases - not later than thirty calendar days from the date when the registration regime became applicable to the currency agreement.

3-1. If a resident becomes a party to the currency agreement to which the registration regime became applicable as a result of assignment or transfer of the debt, it must apply to the National Bank of the Republic of Kazakhstan for registration no later than thirty calendar days from the date of the conclusion of the relevant transaction.

4. Residents in order to register currency operations shall submit to the National Bank of the Republic of Kazakhstan the documents referred to in subparagraphs 1)-4), 10) of the first part of the Article 10 herein according the terms and the procedure provided for by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan shall have the right to request additionally documents referenced in the documents submitted.

5. Registration shall be effected within ten working days from the date of the submission of the full set of documents by a resident.

Upon registration of a currency agreement, a standard document - a certificate of registration shall be issued to the applicant.

6. Is excluded by the Law of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

7. A regulatory legal act of the National Bank of Kazakhstan shall establish a threshold with regard to the sum of the transaction beyond which a currency agreement shall be subject to registration, as well as exceptions to the registration regime in respect of which the National Bank of the Republic of Kazakhstan shall have the right to establish a notification regime.

Footnote. Article 8 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (the order of enforcement see the Art. 2); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Article 9. Notification regime

Footnote. The heading is in the wording of the Law dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

1. A notification regime shall include submission to the National Bank of the Republic of Kazakhstan of information in the prescribed form on a currency agreement by residents-participants of currency operations and (or) by authorized banks, as well as by professional participants of securities market engaged in currency operations on instructions from clients, and the subsequent submission of information on conducted operations and on the changes to the currency agreement.

For authorized banks and professional participants of the securities market, as well as in other cases provided for by the regulatory legal act of the National Bank of the Republic of Kazakhstan, notification on currency operations conducted in the form of reports to the National Bank of the Republic of Kazakhstan on a regular basis shall be allowed.

2. If, in respect of the currency operations subject to notification there is no requirement to notify in the form of reports on a regular basis, a resident-participant of currency operation shall be obliged to notify the National Bank of Kazakhstan after the conclusion of the currency agreement, but no later than seven working days from the date of commencement of the performance of the obligations thereunder by one of the parties. If the notification procedure has become applicable to the currency agreement during the performance of obligations thereunder - no later than thirty calendar days from the date when the currency operations carried out under the currency agreement became subject to notification.

When an account is opened with a foreign bank, a notification shall be made in cases and within the time limits provided for by paragraph 2 of the Article 25 herein.

If a resident becomes a party to the currency agreement to which the notification regime has become applicable as a result of assignment or transfer of the debt, it shall be obliged to notify the National Bank of the Republic of Kazakhstan regarding such

currency agreement no later than thirty calendar days from the date of the relevant transaction.

3. Confirmation of the notification, except in cases of notification in the form of reports on a regular basis, shall be made by the National Bank of the Republic of Kazakhstan upon expiry of seven working days from the date of the submission of the information on the currency agreement by a resident. In this case, a standard document – a certificate of notification shall be granted to the resident-participant of the currency operation.

4. The National Bank of the Republic of Kazakhstan in order to clarify the circumstances of currency operations shall have the right to request submission of a currency agreement under which the currency operations are conducted.

5. In the absence of the certificate of notification, authorized banks and (or) professional participants of the securities market shall conduct currency operations of clients notifying the National Bank of the Republic of Kazakhstan according to the procedure provided for by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

6. A regulatory legal act of the National Bank of Kazakhstan shall establish a threshold for the sum of the transaction beyond which the currency agreement shall be subject to notification, and a form and procedure for notification, as well as the exceptions to the notification regime.

Footnote. Article 9 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); as amended by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 10. The documents required for obtaining a license and a certificate of registration

According to the requirements to the activity on the management of exchange transactions with foreign currency in cash, and also in keeping with the requirements to the foreign exchange controls established by this Law, residents shall submit to the National Bank of the Republic of Kazakhstan:

- 1) an application;
- 2) a copy of the foreign exchange contract, bound and certified with signature (required from natural and legal persons) and a seal (from legal persons), if any;
- 3) a copy of an identity document (for individuals carrying out a currency operation);
- 4) a briefing note on state registration (re-registration) of a legal entity (for legal entities);

5) a copy of the constituent documents (notarized in case of non-submission of originals for verification) - for legal entities;

6) *(is excluded - dated 12 January 2007 No. 224)*

7) *is excluded by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530 -IV (shall be enforced from 01.01.2012);*

8) the documents confirming that the applicant has met the requirements, including qualification requirements provided for by this Law and by regulatory legal acts of the National Bank of the Republic of Kazakhstan;

9) bank statement showing that the resident has a foreign currency account;

10) copies of documents confirming the origination, performance and termination of the obligations under a currency agreement.

The National Bank of the Republic of Kazakhstan shall have the right to request the originals of the documents specified in this Article from a resident for information.

Documents in a foreign language shall be submitted to the National Bank of the Republic of Kazakhstan with the translation into the state or Russian languages.

Footnote. Article 10 as amended by the Laws of the Republic of Kazakhstan dated 12.01.2007 No. 224 (the order of enforcement see the Art. 2); dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (the order of enforcement see the Art. 2); dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015).

Article 11. Currency monitoring

1. Currency monitoring shall be carried out by the National Bank of the Republic of Kazakhstan in order to assess the sustainability of the payment balance of the Republic of Kazakhstan.

The main objectives of currency monitoring shall be:

1) creation of a database on currency operations carried out by objects of currency monitoring;

2) improvement of statistics, analysis and forecast of the payment balance, external debt and international investment position of the Republic of Kazakhstan.

2. The objects of currency monitoring shall be the branches and representative offices of legal entities-non-residents operating in the territory of the Republic of Kazakhstan for more than one year.

Types of activities covered by currency monitoring shall be defined by the National Bank of the Republic of Kazakhstan.

3. Currency monitoring shall be carried out by way of collecting information from objects of currency monitoring on their currency operations with residents and non-residents under the projects in progress in accordance with the established reporting forms.

4. The reporting dates and reporting forms for conducting currency monitoring shall be provided for by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

Article 12. Repatriation of national and foreign currency

1. Repatriation of national and foreign currency involves placing to bank accounts in the authorized banks of:

1) proceeds in national and foreign currency from exports of goods (works, services);

2) national and foreign currency transferred by a resident in favor of a non-resident in settlement of import of goods (works, services) in case of non-performance or partial performance of obligations by the non-resident.

The resident shall be obliged to secure compliance with the requirements of the repatriation of national and foreign currency within the time limits for the repatriation. The time limits for the repatriation shall be the time period calculated by the resident on the basis of the conditions for parties' obligations performance under the currency agreement and in the manner prescribed by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

The authorized banks conducting currency operations of residents shall be entitled to demand from the resident a clear definition or specification of the time limit for the repatriation.

2. The requirement for repatriation in accordance with this Law shall be deemed fulfilled in part or wholly in cases of:

1) termination of the obligation of a non-resident through offset of a counter claim of the same kind;

2) termination of the obligation of a non-resident through the substitution of the initial obligation existing between them by another obligation between the same persons that foreseeing a different subject or a method of performance;

3) receipt of the insurance payout upon the occurrence of the insured event under the agreement on insurance of the risk of non-resident's obligation default;

4) factual placing of national and foreign currency to account of a resident in foreign banks designed to secure the obligations of the resident in accordance with the terms of the loan borrowed from a non-resident or to secure the activities of branches and representative offices of the resident opened abroad.

3. In the case a resident assigns the right to claim to a non-resident in favour of another resident, a corresponding obligation to secure compliance with the requirements of repatriation within the established time limit shall be transferred to the resident that has taken the right to claim.

4. The National Bank of the Republic of Kazakhstan shall establish uniform rules and conditions for obtaining account numbers of contracts for export and import by residents, and procedures for export and import currency control in order to secure the residents' compliance with the repatriation requirements, as well as the threshold in respect of the sum of the transaction above which the receipt of the contract's account number shall be required.

5. For the purposes of the control over repatriation of national and foreign currency, time limits for the performance of obligations by non-residents shall obligatory be specified in the currency agreement.

In case of changes in time limits for the performance of obligations, occurrence of other circumstances that affect the established time limits for repatriation, the residents shall notify the authorized banks and (or) the National Bank of the Republic of Kazakhstan by providing appropriate justification and supporting documents.

6. Control over compliance with the requirements of this article and justification of the non-return of foreign currency is carried out by the National Bank of the Republic of Kazakhstan jointly with the state revenue bodies and law enforcement agencies, also through mutual exchange of information.

Footnote. Article 12 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); as amended by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

CHAPTER 3. Basic principles for carrying out currency operations

Article 13. Currency operations between residents

Currency operations between residents shall be prohibited, with the exception of:

1) operations where one of the parties is the National Bank of the Republic of Kazakhstan and (or) the Ministry of Finance of the Republic of Kazakhstan;

2) operations with currency valuables classified as banking operations and other operations that authorized banks and authorized organizations are entitled to carry out in accordance with a license issued to them and (or) legislative acts of the Republic of Kazakhstan;

3) payment for banking services on carrying out currency operations, as well as payment of forfeits (fines, penalties) under the agreements providing for the provision of banking services in foreign currency;

4) operations linked to acquisition, sale, payment of remuneration and (or) the redemption of securities, the face value of which is denominated in a foreign currency;

4-1) operations on purchase and sale of refined gold bullion;

4-2) transactions carried out in accordance with the terms of issuance of state Islamic securities;

5) payments and money transfers under commission agreements linked to export (import), when transferable letters of credit are used as the form of payment;

6) assignment of bills denominated in foreign currency in performance of monetary obligations;

7) operations linked to the calculations during the sale of goods in duty-free shops, as well as the sale of goods and provision of services to passengers in transit during international transportation;

8) operations at the time of payment for the expenses of an individual linked to his/her business trip beyond the Republic of Kazakhstan, including representation expenses, as well as operations at the time of redemption of unspent advance granted in connection with the business trip beyond the Republic of Kazakhstan;

9) natural persons' gratuitous transfers of money or gratuitous transfer of currency valuables to natural persons and also to legal persons whose statutory activity is focused on charity work;

10) making bank deposits by individuals in favor of other individuals;

11) operations relating to the payment of taxes and other obligatory payments to the budget in cases specified in the legislative acts of the Republic of Kazakhstan.

Monetary obligations in the Republic of Kazakhstan can be expressed in foreign currency, if foreign exchange transactions are permitted for such obligations.

Footnote. Article 13 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2015 № 403-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016).

Article 14. Currency operations between residents and non-residents

1. Residents shall be entitled to enter into transactions with non-residents in national and (or) foreign currency by agreement of the parties in accordance with the currency legislation of the Republic of Kazakhstan.

2. Residents shall be entitled to issue bills denominated in foreign currency in operations with non-residents.

3. Non-residents shall be entitled without restriction to receive and transfer dividends, remuneration and other income received on contributions (deposits), securities, borrowing and other currency operations with residents carried out in accordance with this Law.

4. If currency regulation regimes are not established in relation to the currency operations referred to in the Articles 20-24 herein, currency operations between residents and non-residents shall be carried out without restrictions according to the procedure provided for by the National Bank of the Republic of Kazakhstan, that shall have the right to establish the notification regime.

The currency regulation regimes provided for by this Law shall not apply to currency operations with non-residents, where one of the parties are/is the National Bank of the Republic of Kazakhstan and (or) the Ministry of Finance of the Republic of Kazakhstan.

Article 15. Currency operations between non-residents

1. Currency operations between non-residents shall be carried out in the territory of the Republic of Kazakhstan without restrictions with regard to the requirements provided for by the Article 16 of this Law.

2. Restrictions may be imposed on currency operations between non-residents in the territory of the Republic of Kazakhstan only in the cases specified in the Article 32 herein.

Article 16. Payments and money transfers in currency operations of residents and non-residents

1. Payments and money transfers in currency operations of residents and non-residents shall be made through bank accounts with authorized banks, with the exception of:

1) payments and money transfers by individuals, as well as payments and money transfers in their favor in the national currency in the territory of the Republic of Kazakhstan;

2) money transfers by individuals made without opening a bank account with authorized banks in accordance with paragraph 3 herein;

3) calculations during the sale of goods in duty-free shops, as well as during the sale of goods and provision of services to passengers in transit during international transportation;

4) payments between individuals and authorized banks or authorized organizations made through their exchange offices;

5) payment of wages by legal entities-residents to employees-non-residents, as well as of wages by legal entities-non-residents to employees-residents and non-residents in foreign currency;

6) operations at the time of payment for the expenses of an individual related to his/her business trip beyond the Republic of Kazakhstan, including representation expenses, as well as operations at redemption of unspent advance granted in connection with the business trip beyond the Republic of Kazakhstan;

7) payments between individuals and legal entities-non-residents carrying out their activities under the customs control in airports, ports and border crossings opened for international communications;

7-1) payments between non-residents and legal entities-residents for the service of foreign states' vessels in airports and seaports in the territory of the Republic of Kazakhstan, as well as the payment by non-residents for the air navigation services, airport activities and seaports services on provision of services to international routes;

8) payments between resident and non-resident legal persons, operating in the Republic of Kazakhstan, in the national currency up to the amount established by the legislation of the Republic of Kazakhstan on payments and payment systems; 10-1) payments and money transfers on transactions with residents, which are performed in accordance with the terms of issuance of state Islamic securities using accounts in foreign banks opened by residents in accordance with the procedure established by this Law;

9) payments through the issuance (assignment) of a check, bill;

10) payments and money transfers on operations with non-residents being made ?? through foreign banks' accounts opened by residents according to the procedure provided for by this Law, as well as payments and money transfers through correspondent accounts of the authorized banks in foreign banks;

11) money transfers from the accounts of non-residents with foreign banks made thereby in performance of the resident's obligations in cases foreseen by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

Cash foreign currency received by residents and non-residents legal entities when conducting currency operations in the territory of the Republic of Kazakhstan shall be subject to obligatory placing to bank accounts with authorized banks.

The provisions of the first part of this paragraph shall not apply to the operations where of one of the parties is the National Bank of the Republic of Kazakhstan.

2. Payments in currency operations in the territory of the Republic of Kazakhstan, in respect of which this Law specifies requirements for registration, notification or receipt of an account number, shall be made by non-cash method.

3. Individuals-residents and non-residents shall have the right to carry out the following within the established amount and without opening an account with authorized banks:

1) grant money transfers in the territory of the Republic of Kazakhstan, from the Republic of Kazakhstan and to the Republic of Kazakhstan (tax, license fees, fines, transfers of sums of inheritance, alimonies, grants, etc.);

2) other money transfers from the Republic of Kazakhstan not connected with an individual's entrepreneurial activity and for which the requirement to obtain the account number of the contract, registration and notification has not been specified in accordance with this Law.

4. The procedure for the use and placing of cash foreign currency to a bank account by residents and non-residents, as well as the amount and procedure for money transfers made without opening a bank account shall be established by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

Footnote. Article 16 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010); dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 26.07.2016 № 12-VI (shall be enforced upon expiry of thirty calendar days after the day its first official publication).

Article 17. Buying and selling of foreign currency

1. The authorized banks entitled to organize exchange operations with foreign currency in accordance with a license issued thereto or right conferred by the Laws of the Republic of Kazakhstan shall have the right to buy and sell foreign currency both in the Republic of Kazakhstan and abroad.

2. Foreign currency shall be bought and sold in the Republic of Kazakhstan by residents and non-residents exclusively from authorized banks entitled to organize exchange operations with foreign currency, through exchange offices of such authorized banks, as well as exchange offices of authorized organizations according to the procedure provided for by the National Bank of the Republic of Kazakhstan.

3. For the purposes of monitoring the sources of supply and demand, authorized banks shall be obliged to present a report in accordance with regulatory legal act of the National Bank of the Republic of Kazakhstan, as well as a pattern of the usage of foreign currency on the domestic market.

Footnote. Article 17 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); as amended by

the Law dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 18. Carriage into the Republic of Kazakhstan and carriage from the Republic of Kazakhstan of currency valuables??, national currency, securities and payment documents, face value and (or) the value of which is denominated in national currency, and securities without face value issued by residents.

1. Carriage of foreign currency cash, national currency cash, certificated securities and payment documents in and out of the Republic of Kazakhstan by residents and non-residents shall be performed without restrictions subject to the requirements of the customs legislation of the Customs Union and (or) of the Republic of Kazakhstan.

2. Individuals shall have the right to carry foreign cash and (or) national currency cash (except precious metal coins) and travelers checks in and out of the Republic of Kazakhstan in a total amount equal to or not exceeding the equivalent of ten thousand U.S. dollars without customs declaration.

3. Importation into or exportation from the Republic of Kazakhstan by a natural person of foreign currency in cash and (or) national currency in cash (except for precious metal coins) and traveler's checks in the total amount exceeding the equivalent of ten thousand US dollars is subject to mandatory customs declaring to the state revenue body of the Republic of Kazakhstan, except for cases of importation or exportation from or to the territory that is an integral part of the customs territory of the Customs Union.

The procedure for declaring to customs is carried out by submitting a customs declaration in writing for the total amount of imported or exported foreign currency in cash, national currency in cash and traveler's checks along with the information on the origin and destination of the cash and traveler's checks to be moved.

4. Importation into or exportation from the Republic of Kazakhstan by a natural person of certificated securities in bearer form, bills of exchange, checks (except for traveler's checks) is subject to mandatory customs declaring to the state revenue body of the Republic of Kazakhstan, except for cases of importation or exportation from or to the territory that is an integral part of the customs territory of the Customs Union.

5. Carriage of refined gold bullion and precious metal coins appearing as legal tender in and out of the Republic of Kazakhstan from the territory or to the territory which is not deemed to be a compounding part of the customs territory of the Customs Union shall be performed in accordance with the customs legislation of the Customs Union and (or) of the Republic of Kazakhstan.

Footnote. Article 18 is in the wording of the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after

its first official publication); as amended by the Law of the Republic of Kazakhstan dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 19. The obligation to provide information and documents

1. Residents and non-residents carrying out their activities in the territory of the Republic of Kazakhstan shall be obliged to submit reports, information and documents on their currency operations to the currency regulation and control bodies and currency control agents in order to fulfill the requirements of this Law.

2. Residents and non-residents shall be obliged upon request of authorized banks to state the purpose of payments and money transfers in currency operations carried out through them, and to submit the documents proving the stated purposes of payments and money transfers in order to fulfill the requirements established by this Law.

CHAPTER 4. Capital movement operation and opening of accounts

Article 20. Exports (import) settlements

N o t e o f t h e R C L I !

The paragraph 1 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

1. Currency in payment of export of goods (works, services) shall be received by residents and placed to accounts with authorized banks within 180 days from the date of export of the goods (works, services) or within 365 days from the date of export of certain goods on a list established by the Government of the Republic of Kazakhstan.

Currency received by residents as payment for exports of goods (works, services) may be placed to their accounts with foreign banks on the basis of a license from the National Bank of the Republic of Kazakhstan permitting the opening of an account with a foreign bank.

Note of the RCLI!

The paragraph 2 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

2. In case of non-performance of obligations by a non-resident, currency transferred by a resident in favor of the non-resident in settlement of import of goods (works, services) under the conditions of commercial credit to the non-resident shall be received by the resident and placed to accounts with authorized banks no later than 180 days from the date of the transfer.

3. Payments between residents and non-residents under commercial credits related to export (import) of goods for a term exceeding 180 days shall be made under the registration regime.

Registration regime also applies to commercial credits related to export (import) of goods and granted for a period not exceeding 180 days, if the actual period for the refund or other performance of obligations by the resident or non-resident exceeded 180 days.

3-1. Payments between residents and non-residents in settlement of export (import) of works and services shall be made under the notification regime. The notification shall be performed by the authorized bank serving such payments.

3-2. Currency regulation regimes do not apply to commercial credits related to export (import), that require the receipt of the account number of the contract.

Note of the RCLI!

The paragraph 4 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

4. Payments between residents and non-residents under commercial credits granted by residents to non-residents for a term exceeding 180 days shall be made under the licensing regime.

Note of the RCLI!

The paragraph 5 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

5. When goods on the list referred to in paragraph 1 of this Article are exported, payments between residents and non-residents made under the terms of deferred payment shall not be subject to licensing, if a commercial credit was granted by a resident to a non-resident for a term not exceeding 365 days.

In cases where commercial credits are granted for a term not exceeding 365 days and the actual period of return of resources or other performance of obligations by the non-residents has exceeded 365 days, the payments between residents and non-residents shall be subject to licensing in the manner provided in this Law.

Note of the RCLI!

The paragraph 6 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

6. A license from the National Bank of the Republic of Kazakhstan shall entitle to place national and foreign currency to accounts with authorized banks or other performance of obligations within the period justified by the resident.

7. Is excluded by the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167 -IV (the order of enforcement see the Art. 2).

8. Authorized banks shall have the right, under commission agreements between residents related to the implementation of import, to open transferrable letters of credit

in foreign currency in favour of residents that provide for the transfer of the letter of credit in favor of non-residents.

Footnote. Article 20 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 21. Direct investments

Direct investments of non-residents in the Republic of Kazakhstan and of residents abroad shall be made under the registration regime.

Article 22. Participation in the authorized capital, operations with securities and derivatives financial instruments

1. Residents shall be obliged to notify the National Bank of the Republic of Kazakhstan regarding currency operations related to the acquisition of securities, money contributions and placement of other property in order to participate in the organization (including in the authorized capital) or as a contribution to its property, as well as regarding currency operations related to derivative financial instruments.

Note of the RCLI!

The paragraph 2 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

2. Acquisition of securities of nonresidents and stakes in nonresident investment funds by residents, contributions by residents to gain participation in the authorized capital of nonresidents, and operations with derivative financial instruments between residents and nonresidents shall be effected under the licensing regime.

The provisions of this paragraph shall not apply to banks, insurance organizations, as well as to organizations carrying out investment management of pension assets and pension savings funds independently carrying out investment management of pension assets (when they invest retirement assets).

Note of the RCLI!

The paragraph 3 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

3. In order to carry out currency operations referred to in paragraph 2 of this Article , organizations engaged in professional activities on the securities market shall be issued licenses by the National Bank of the Republic of Kazakhstan entitling them to carry out such operations both with their own resources and with resources of clients.

The provisions of this paragraph shall not apply to the banks conducting professional activities on the securities market.

Note of the RCLI!

The paragraph 4 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

4. The currency operations referred to in paragraph 2 of this Article of resident individuals and legal entities carried out through the Kazakhstani professional participants of the securities market within the limits of the license received thereby shall be carried out without restrictions.

Note of the RCLI!

The paragraph 5 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

5. Currency operations between residents and non-residents resulting from the exercise of the rights and obligations with respect to the base asset of derivative financial instruments shall be carried out under the notification regime.

Currency operations between residents and non-residents resulting from the exercise of rights and obligations with respect to goods serving as the base asset of derivative financial instruments shall be governed according to the procedure provided for by the Articles 12 and 20 herein.

Note of the RCLI!

The paragraph 6 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

6. Acquisition of residents' securities by non-residents, including stakes in resident investment funds, contributions by non-residents in order to gain participation in authorized capital of residents, as well as initial placement of securities of residents on international capital markets, including the issuance of depositary receipts for the securities of residents, shall be carried out under the registration regime.

7. The provisions of this Article shall not apply to direct investments.

Footnote. Article 22 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 23. Financial loans

1. Financial loans of residents to non-residents and of non-residents to residents for a term exceeding 180 days shall be made under the registration regime.

2. The registration regime shall also apply to financial loans granted for a term not exceeding 180 days, if the actual period for return of resources or other performance of obligations by the resident or non-resident has exceeded 180 days.

Article 24. Other capital movement operations

1. Other capital movement operations shall include:

1) acquisition of title to immovable property, with the exception of movable things treated as immovable property by legislative acts of the Republic of Kazakhstan;

2) acquisition of a fully exclusive right to intellectual property items;

3) transfer of money and other property in performance of the obligations of a participant of joint activity, as well as in trust management.

2. Payments of residents in favour of non-residents, payments of non-residents in favour of residents related to the acquisition of title to immovable property, as well as transfer of money and other property by residents to non-residents (by non-residents to residents) in trust management shall be carried out under the notification regime.

Note of the RCLI!

The paragraph 3 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

3. Payments of legal entities-residents, as well as payments of non-residents in their favour related to the acquisition of title to immovable property shall be made ??under the registration regime.

4. Payments of residents to non-residents, payments to non-residents in favour of residents related to the acquisition of a fully exclusive right to intellectual property items, as well as transfer and receipt of money and other property by residents in performance of the obligations of the participant of joint activity shall be carried out under the registration regime.

Footnote. Article 24 as amended by the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2).

Article 25. Residents' accounts

1. Residents shall open bank accounts in foreign currency with authorized banks without restrictions, unless otherwise provided for by the legislative acts of the Republic of Kazakhstan.

2. Legal entities-residents except for banks and the National mail operator shall be obliged to notify the National Bank of the Republic of Kazakhstan regarding the opening of bank (including saving) accounts in foreign banks no later than thirty calendar days from the date of signing a contract with the foreign bank.

2-1. Notification by an individual about an account in the foreign bank shall not be required. The authorized bank that carries out such transfers shall notify on the volume of transfers of individuals-residents from their own accounts (to own accounts) with the foreign banks.

Note of the RCLI!

The paragraph 3 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

3. Accounts shall be opened with foreign banks by the individuals-residents under the licensing regime, except when:

1) accounts are opened with foreign banks located in the states-members of the Organization for Economic Cooperation and Development or the Financial Action Task Force on Money Laundering;

2) accounts are opened with foreign banks located in other states during the stay of an individual in their territory. After returning to the Republic of Kazakhstan the individuals-resident shall be obliged to close the account with the foreign bank or apply for a license.

Note of the RCLI!

The paragraph 4 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

4. Accounts shall be opened with foreign banks by legal entities-residents under the licensing regime, except when:

1) accounts are opened by banks;

2) accounts are opened with foreign banks by financial organizations-residents in order for make transactions with financial instruments on international securities markets;

3) accounts are opened with foreign banks by legal entities-residents designed for the purposes of financing the costs linked to the maintenance of branches and representative offices of this legal entity;

4) accounts are opened with foreign banks by legal entities-residents designed for the placement of funds required as payment for the authorized capital of the legal entity , if this requirement is established by the legislation of a foreign state where the resident is expected to participate;

5) accounts are opened with foreign banks by legal entities-residents designed for the placement of funds guaranteeing performance of the obligations of residents towards non-residents under loans borrowed from the non-residents.

Remaining balance limits and conditions for use of an account with a foreign bank may be established in a license from the National Bank of the Republic of Kazakhstan.

Note of the RCLI!

The paragraph 5 shall be effective until 31.12.2006 in accordance with the Art. 34 of the Law.

5. The accounts specified in subparagraph 3) of paragraph 4 of this Article shall be opened by legal entities-residents under the registration regime.

The conditions for the use of such accounts shall be established by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

Footnote. Article 25 as amended by the Laws of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 26. Non-residents' accounts

1. Non-residents shall open bank accounts in foreign and (or) in national currency with authorized banks without restrictions.

2. Non-residents shall have the right to transfer foreign and national currency from their accounts outside the territory of the Republic of Kazakhstan to their bank accounts in authorized banks, as well as from their bank accounts with authorized banks to their accounts outside the Republic of Kazakhstan without restrictions.

CHAPTER 5. Currency control

Article 27. Goals and objectives of currency control

1. The goal of currency control shall be to secure compliance with the legislation of the Republic of Kazakhstan by residents and non-residents of the Republic of Kazakhstan when carrying out currency operations.

2. The objectives of currency control shall be:

1) to determine compliance of currency operations with the legislation of the Republic of Kazakhstan;

2) to verify the justifications for payments in currency operations and the presence of documents necessary therefor;

3) to verify the completeness and objectivity of accounting and reporting on currency operations.

Article 28. Bodies and agents of currency control

1. Currency control shall be carried out in the Republic of Kazakhstan by the National Bank of the Republic of Kazakhstan, other state bodies within the authority established by the Laws of the Republic of Kazakhstan (currency control bodies), and currency control agents.

2. Authorized banks and authorized organizations shall be currency control agents.

Footnote. Article 28 as amended by the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2).

Article 29. Rights and obligations of bodies and agents of currency control

1. Bodies and agents of currency control within their competence shall be obliged to exercise control over currency operations conducted by residents and non-residents in the Republic of Kazakhstan, insofar as concerns compliance of these operations with the legislation of the Republic of Kazakhstan, the conditions of licenses, registration and notification requirements.

2. Currency control bodies shall within their competence:

1) verify compliance of residents and non-residents with currency legislation of the Republic of Kazakhstan;

2) verify the completeness and accuracy of accounting and reporting on currency operations of residents and non-residents;

3) request documents and information related to the conduct of currency operations ;

4) issue binding instructions to currency control agents for the purposes of proper implementation of currency control;

5) establish the procedures for submission of reports on currency operations;

6) set requirements on correcting revealed violations and implement other measures provided for by the legislation of the Republic of Kazakhstan, that shall be binding upon all residents and non-residents in the Republic of Kazakhstan.

3. Currency control agents shall be obliged to:

1) control compliance with the requirements of currency legislation of the Republic of Kazakhstan in their operations, including on the instructions of clients;

2) secure the completeness and objectivity of accounting and reporting of currency operations;

3) to report to the National Bank of the Republic of Kazakhstan regarding the facts of violations of currency legislation of the Republic of Kazakhstan made by their clients that became known to them, as well as to report to other currency control bodies and law enforcement bodies in accordance with their powers as provided for by the Laws of the Republic of Kazakhstan;

4) to provide currency control bodies with the information on currency operations conducted with their participation according to the procedure provided for by the Laws of the Republic of Kazakhstan, by acts of the President of the Republic of Kazakhstan and by regulatory legal acts of currency regulation bodies.

4. Bodies and agents of currency control shall be obliged to keep, in accordance with the legislation of the Republic of Kazakhstan, commercial, banking and other secrets protected by law becoming known thereto during exercise of their powers.

5. The authorized bank shall make payments and money transfers of a resident and (or) a non-resident only provided that the latter submit the documents required under this Law and regulatory legal acts of the National Bank of the Republic of Kazakhstan.

6. Currency control agents shall have the right to demand in order to implement currency control in accordance with this Law from residents and non-residents carrying out currency operations:

- 1) proof of identity (for individuals);
- 2) a document confirming the right of permanent residence in the Republic of Kazakhstan (for foreigners and stateless persons);
- 3) the constituent documents (for legal entities);
- 4) a certificate of state registration (re-registration) of a legal entity (for legal entities);
- 5) *(is excluded - dated 12 January 2007 No. 224)*
- 6) *is excluded by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced from 01.01.2012);*
- 7) *currency agreement, including a note on the assignment of an account number of the contract in the cases provided for by regulatory legal acts of the National Bank of the Republic of Kazakhstan;*
- 8) a license, a certificate of registration, a certificate of notification in cases established by this Law;
- 9) *is excluded by the Law of the Republic of Kazakhstan dated 06.01.2012 No. 530-IV (shall be enforced upon expiry of ten calendar days after its first official publication);*
- 10) documents confirming fulfillment or based on which fulfillment of obligations under export (import) transactions is required.

7. Authorized banks shall not be entitled to demand the submission of the documents not directly related to the currency operation in progress.

8. Authorized banks shall refuse to implement a currency operation if a person fails to submit the documents required under this Law and regulatory legal acts of currency regulation and currency control bodies, or a person submits false documents, or if a person fails to implement the actions provided for by currency legislation of the Republic of Kazakhstan.

Footnote. Article 29 as amended by the Laws of the Republic of Kazakhstan dated 12.01.2007 No. 224 (the order of enforcement see the Art. 2); dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); dated 06.01.2012 No. 530-IV (the order of enforcement see the Art. 2); dated 24.12.2012 No. 60-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 30. Measures and sanctions

1. The National Bank of the Republic of Kazakhstan is entitled to apply enforcement actions and sanctions provided for by the laws of the Republic of Kazakhstan against authorized banks and authorized organizations in case of revealing violations of the currency legislation of the Republic of Kazakhstan committed by them.

2. Is excluded by the Law of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Footnote. Article 30 as amended by the Law of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication).

Article 31. Rights and obligations of residents and non-residents

1. Residents and non-residents carrying out currency operations in the Republic of Kazakhstan shall have the right to:

1) become acquainted with the notes on the results of inspections carried out by currency control bodies;

2) appeal the actions of bodies and agents of currency control according to the procedure provided for by the legislation of the Republic of Kazakhstan;

3) exercise other rights provided by the legislation of the Republic of Kazakhstan.

2. The residents and non-residents carrying out currency operations shall be obliged to:

1) provide the bodies and agents of currency control with all requested documents and information on currency operations within the time limits established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;

2) give explanations to currency control bodies in the course of their inspections, as well as after their results;

3) maintain records and prepare reports on their currency operations securing their safety for the period established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;

4) comply with the requirements (instructions, directives) of currency control bodies regarding correction of the revealed violations;

5) make their premises, documents and computerized databases accessible to currency control bodies in the course of their inspections.

3. In the cases established by this Law, residents shall be obliged to timely apply for and take all necessary steps to obtain a license, a certificate of registration, a certificate of notification of the National Bank of the Republic of Kazakhstan, as well as to comply with the conditions of the issued license.

Footnote. Article 31 as amended by the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2).

CHAPTER 6. FINAL PROVISIONS

Article 32. Special currency regime

1. In case of threat to the economic security of the Republic of Kazakhstan and the stability of its financial system, a special currency regime shall be introduced if the situation can not be resolved by other economic policy measures.

Special currency regime is a special regime for carrying out currency operations providing a set of measures of currency regulation aimed at creating the conditions for eliminating threats to the state's economic security and stability of its financial system, and allowing the introduction of certain currency restrictions to the conduct of the operations by residents and non-residents related to the use of currency valuables. The special currency regime shall be a temporary measure used solely for the purposes of elimination of the circumstances that gave occasion to its introduction. The following shall be referred to the limitations that can be introduced within the confines of a special currency regime:

1) the requirement to place a deposit without paying a fee in the amount determined as a percentage of the amount of the currency operation, for a fixed period in an authorised bank or the National Bank of the Republic of Kazakhstan;

2) the requirement to obtain a special permission from the National Bank of Kazakhstan for carrying out currency operations;

3) the requirement of mandatory sale of foreign currency received by residents;

4) restrictions on the use of foreign bank accounts, establishment of the time limits for the return of the currency earnings and limits on volumes, amount and currency of settlement on currency operations.

The Government of the Republic of Kazakhstan may introduce other temporary currency restrictions on the basis of a joint recommendation of the National Bank of the Republic of Kazakhstan and relevant authorized bodies.

2. A special foreign exchange control regime shall be introduced by the act of the Government of the Republic of Kazakhstan on the basis of a joint recommendation of the National Bank of the Republic of Kazakhstan and relevant authorized bodies.

Permits and notifications established by the act of the Government of the Republic of Kazakhstan on the introduction of a special foreign exchange control regime are not subject to the Law of the Republic of Kazakhstan "On Permits and Notifications".

3. The act of the Government of the Republic of Kazakhstan on the introduction of a special foreign exchange control regime contains:

- 1) a list of measures and temporary restrictions to be introduced on the conduct of transactions related to the use of currency valuables;
- 2) the procedure for fulfilling the requirements of the special foreign exchange control regime, including conditions of issuing a special permit;
- 3) the time of introduction and the validity period of the special foreign exchange control regime.
4. Duration of the special currency regime may not exceed one year.

Upon expiry of the period for which the special currency regime was introduced, the special currency regime shall be considered to be canceled.

The Government of the Republic of Kazakhstan, on the basis of a joint recommendation of the National Bank of the Republic of Kazakhstan and relevant authorized bodies, is entitled to extend it within the terms established by this paragraph, or to abolish it in full or in part prior to the scheduled date by issuing a relevant act.

5. During the period of a special foreign exchange control regime, residents and non-residents are obliged to comply with the requirements established by the act of the Government of the Republic of Kazakhstan on the introduction of a special foreign exchange control regime.

Footnote. The Article 32 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see the Art. 2); as amended by the Laws of the Republic of Kazakhstan dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after the day its first official publication); dated 03.07.2017 № 86-VI (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 33. Responsibility for violation of currency legislation of the Republic of Kazakhstan

Violation of currency legislation of the Republic of Kazakhstan shall entail responsibility in accordance with the Laws of the Republic of Kazakhstan.

Article 34. The order of the entry into force of this Law

1. This Law shall be enforced upon expiry of six months from the date of publication, with the exception of paragraph 1 of the Article 12, which shall be enforced from 01 January 2007.

2. The second paragraph of subparagraph 2) of paragraph 4 of the Article 5, Article 7, paragraphs 1, 2, 4-6 of the Article 20, paragraphs 2-6 of the Article 22, paragraph 3 of the Article 24, paragraphs 3-5 of the Article 25 of this Law shall be effective until 31 December 2006.

3. The Law of the Republic of Kazakhstan dated 24 December 1996 "On Currency Regulation" (Bulletin of the Parliament of the Republic of Kazakhstan, 1996, No. 20-21, the Art. 404; 1997, No. 13-14, the Art. 205; 1998, No. 16, the Art.219; 1999, No. 20, the Art.722; 2001, No. 4, the Art. 23; 2003, No. 10, the Art. 51; No. 11, the Art. 56; No. 15, the Art. 139).

T h e
of the Republic of Kazakhstan

P r e s i d e n t

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