



On Counteraction of Legitimization (Laundering) of Incomes Received by Illegal Means, and Financing of Terrorism

Unofficial translation

The Law of the Republic of Kazakhstan dated 28 August 2009 No. 191-IV.

Unofficial translation

Footnote. Title of the Law as amended by the Law of the RK dated 10.06.2014 № 206-V (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

This Law shall define the legal basis for combating the legalization (laundering) of proceeds from crime and the financing of terrorism, the legal relations of financial monitoring entities, the authorized body and other state bodies of the Republic of Kazakhstan in the field of countering legalization (laundering) of proceeds of crime and the financing of terrorism, as well as mechanisms for the implementation of targeted financial sanctions related to the prevention of terrorism and the financing of terrorism, and the prevention and cessation of the proliferation of weapons of mass destruction and their financing.

Footnote. Preamble in the wording of the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

Chapter 1. GENERAL PROVISIONS

Article 1. Basic definitions used in this Law

The following basic definitions are used in this Law:

1) suspicious transaction with money and (or) other property (hereinafter – suspicious transaction) – the operation of a client (including an attempt of committing such transaction, the transaction being in a process of commission or committed transaction), in respect of which there are suspicions that the money and (or) another property used for its commission are the income from a criminal activity, or the operation itself is oriented to legitimization (laundering) of incomes received by illegal means, or financing of terrorism or other criminal activity;

2) transactions with money and (or) other property - actions of individuals, legal entities, and foreign structures without forming a legal entity with money and (or) other property, regardless of the form and method of their implementation, aimed at establishing, changing or terminating civil rights and obligations associated with them;

2-1) freezing of transactions with money and (or) other property - measures taken by financial monitoring entities and state bodies to suspend the transfer, conversion, alienation or transfer of money and (or) other property;

2-2) individual entrepreneurs and legal persons carrying out transactions with precious metals and precious stones, jewels from them-persons engaged in buying and selling precious metals and precious stones, jewelry products, except for religious organizations, museums and organizations using precious metals and their compounds, precious stones in the medical, scientific and research purposes or as part of the tools, instruments, equipment and products for industrial purposes;

3) a beneficiary owner – an individual:

who directly or indirectly owns more than twenty-five percent of the shares in the authorized capital or placed (minus preferred and redeemed by the company) shares of the client - a legal entity or a foreign structure without forming a legal entity;

carrying out a control over the client by other methods;

in whose interests the client commits transactions with money and (or) other property;

3-1) an intermediary bank - a bank and (or) an organization carrying out certain types of banking transactions that make a payment and (or) transfer of money received from the bank of the money sender in favor of a financial organization;

3-2) a public official:

a person holding a responsible state position;

an official;

a person authorized to perform state functions;

a person performing managerial functions in a state organization or a subject of the quasi-public sector;

a person appointed or elected, holding any position in the legislative, executive, administrative, judicial bodies or armed forces of a foreign state;

a person performing any public function for a foreign state;

a person holding a managerial position in organizations established by countries on the basis of agreements that have the status of international treaties;

3-3) a foreign structure without forming a legal entity - a fund, cooperative, trust, company, partnership, organization, or other corporate entity, created in accordance with the legislation of a foreign state, which are considered as independent organizational and legal forms, regardless of whether they have the status of a legal entity of a foreign state where they are created;

3-4) register of beneficiary owners of legal entities - a state database intended for recording and storing information about the beneficiary owners of legal entities in order to counter legalization (laundering) of proceeds from crime and financing of terrorism;

3-5) an independent legal expert - an individual providing legal services both independently and as a partner or employee on the basis of an employment contract with a business entity providing legal assistance;

4) a client - an individual, legal entity, or a foreign structure without forming a legal entity, receiving the services of a subject of financial monitoring;

5) correspondent relations – contractual relations arising upon opening of correspondent accounts by banks, organizations carrying out separate types of banking operations for other banks for the purpose of commission of transactions linked with carrying out of banking servicing;

6) shell-bank – non-resident bank that does not have a physical presence in the state (territory) in which it is registered as a bank and (or) received a license for carrying out of banking activity with the exception of placement of such bank in direct or indirect possession of banking holding subjected to consolidated supervision in the state (territory) in which it is registered;

7) financial monitoring – set of measures on collection, processing, analysis and use of details and information on transactions with money and (or) other property carrying out by the authorized body and subjects of financial monitoring in accordance with this Law;

8) transactions subject to financial monitoring - transactions of the client of the subject of financial monitoring with money and (or) other property, in respect of which financial monitoring shall be established in accordance with this Law;

8-1) financial group - a group of legal entities that are subjects of financial monitoring and interacting with each other in accordance with this Law;

9) cashing in of money obtained by criminal means - actions performed by individuals, legal entities, or a foreign structure without forming a legal entity in order to obtain cash by using documents when making an imaginary transaction aimed at legalizing (laundering) money;

10) proceeds of crime-money and (or) other assets received as a result of committing a criminal offence;

11) legalization (laundering) of income obtained by criminal means,-involvement in legitimate money turnover and (or) other assets obtained by criminal means, through transactions in the form of a conversion or transfer of property representing the proceeds of criminal offences, or the possession and use of such property, concealing or disguising its true nature, source, location, disposition, movement or ownership of property or its accessories, if you know what is the property was the proceeds of criminal offences, as well as mediation money laundering and (or) other assets obtained by criminal means;

11-1) State policy in the sphere of counteraction to legalization (laundering) of proceeds received by criminal way and terrorism financing, legal, administrative and institutional measures aimed at reducing the risks of legalization (laundering) of proceeds received by criminal way and terrorism financing and other measures in accordance with the present law;

11-2) impeccable business reputation - the presence of facts confirming professionalism, conscientiousness, the absence of an unexpunged or outstanding criminal record, including the absence of a court decision that has entered into force on the application of criminal

punishment in the form of deprivation of the right to hold the position of an executive employee of a financial organization, banking and (or) an insurance holding company and be a major participant (major shareholder) of a financial organization for life;

11-3) targeted financial sanctions - measures to freeze transactions with money and (or) other property, taken by the subjects of financial monitoring and state bodies in accordance with this Law and resolutions of the United Nations Security Council related to the prevention and averting of terrorism and financing of terrorism, prevention, obstruction, and cessation of the proliferation of mass destruction weapons and their financing;

12) terrorist financing-providing or collecting money and (or) other assets, property rights or property benefits, as well as gifting, barter, donations, charity, providing information and other services or the provision of financial services to an individual or group of individuals or entity committed person known terrorist awareing the nature of their work or that a given property, provided information, financial and other kind of services will be used to carry out terrorist activity or providing terrorist group, terrorist organization, illegal paramilitary unit;

12-1) was excluded according to law of the Republic of Kazakhstan dated 26.07.2016 № 12- VI (entered into force on the expiry of thirty days after the date of its first publication);

13) authorized body - a state body that shall carry out financial monitoring and shall take other measures to counter the legalization (laundering) of proceeds from crime, the financing of terrorism, the financing of the proliferation of weapons of mass destruction in accordance with this Law;

14) Is excluded by the Law of the Republic of Kazakhstan dated 18.11.2021 № 73-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication);

15) the competent authority of a foreign state - a body of a foreign state that, in accordance with its legislation, collects, processes, analyzes and uses information and information about transactions with money and (or) other property;

16) physical presence – the place of carrying out the activity of a bank located at permanent address (with the exception of the address of a mail box or electronic address) in which there are managing bodies and bank staff, the accounting and storage of documents related to banking activity are maintained, and inspections of the authorized body that issued the license to a bank-non-resident for carrying out of banking activity are conducted;

17) business relations – the relations with clients arising in a process of carrying out of professional activity by a subject of financial monitoring.

Footnote. Article 1 is in the wording of the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (the order of enforcement see Article 2); dated 03.07.2014 № 227-V (shall be enforced from 01.01.2015); dated 03.11.2014 № 244-V (shall be enforced from 02.01.2015); from 02.08.2015 № 343-V (order of enactment see article 2); from 16.11.2015 № 403-V (entered into force on the expiry of ten calendar days after the date of its first publication); from 08.04.2016 № 489-V (entered into force on the expiry of ten calendar days

after the date of its first publication); from 26.07.2016 № 12- VI (entered into force on the expiry of thirty days after the date of its first publication); dated 02.07.2018 № 166-VI (shall be enforced from 01.01.2019); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication).

Article 2. Legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism

Footnote. Title of Article 2 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

1. Legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism is based on the Constitution of the Republic of Kazakhstan, consists of this Law and other regulatory legal acts of the Republic of Kazakhstan.

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

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 2-1. Main purpose and objectives of this Law

1. The main purpose of this Law shall be to protect the rights and legitimate interests of citizens, society and the state by creating a legal mechanism to counter the legalization (laundering) of proceeds from crime and the financing of terrorism.

2. The main objectives of this Law shall be:

1) counteracting legalization (laundering) of proceeds from crime and financing of terrorism;

2) implementation of a unified state policy in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism;

3) creation of an effective system for combating the legalization (laundering) of proceeds from crime and the financing of terrorism that meets generally recognized international standards;

4) creation of a unified information system and maintenance of a unified information and analytical system in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism;

5) preventing the creation of conditions and opportunities for the legalization (laundering) of proceeds from crime and the financing of terrorism, as well as taking measures aimed at

identifying and eliminating vulnerabilities that contribute to the legalization (laundering) of proceeds from crime and the financing of terrorism;

6) organization of training of subjects of financial monitoring and employees of state bodies in order to improve their qualifications in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism;

7) development of international cooperation on countering the legalization (laundering) of proceeds from crime and the financing of terrorism;

8) ensuring interdepartmental cooperation on countering the legalization (laundering) of proceeds from crime and the financing of terrorism.

Footnote. Chapter 1 as added by Article 2-1 in accordance with the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 2-2. Principles of this Law

This Law shall be based on the principles of:

1) equality of all before the law and the court, justice;

2) protection of the financial system of the Republic of Kazakhstan from threats of legalization (laundering) of proceeds from crime and financing of terrorism.

Footnote. Chapter 1 as added by Article 2-2 in accordance with the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Chapter 2. PREVENTING THE LEGALIZATION (LAUNDERING) OF PROCEEDS OF CRIME, THE FINANCING OF TERRORISM AND THE FINANCING OF THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Footnote. Title of the Chapter 2 in the wording of the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

Article 3. Subjects of financial monitoring

1. For the purpose of this Law, the subjects of financial monitoring shall include:

1) banks, branches of banks - non-residents of the Republic of Kazakhstan, organizations engaged in certain types of banking operations, with the exception of the operator or operational center of the interbank money transfer system, as well as legal entities, the exclusive activity of which is the collection of banknotes, coins, and valuables;

2) stock exchange;

3) insurance (reinsurance) organizations, insurance brokers, mutual insurance societies, Export Credit Agency of Kazakhstan, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan, branches of insurance brokers - non-residents of the Republic of Kazakhstan;

4) single pension savings fund and voluntary pension savings funds;

- 5) professional participants of securities market, central depository;
 - 6) notary offices carrying out notary actions with money and (or) other property;
 - 7) lawyers, legal advisers and other independent legal experts, in cases where they participate on behalf of or on behalf of the client in transactions with money and/or other property in relation to the following activities:
 - buy and sell of immovable property;
 - management of money, securities or other property of a client;
 - management of banking accounts or securities accounts;
 - accumulation of funds for creation, ensuring, functioning or management of a company;
 - creation, buy and sell, functioning of a legal entity or their management;
 - 8) bookkeeping organizations and professional accountants carrying out entrepreneurial activity in the scope of bookkeeping operations, audit organizations;
 - 9) organizers of gambling business and lotteries;
 - 10) postal operators rendering services on money transfer;
 - 11) organizations engaged in microfinance activities;
 - 12) payment organization;
 - 13) individual entrepreneurs and legal persons carrying out leasing activity as the lessor without a license;
 - 14) Is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020);
 - 15) individual entrepreneurs and legal persons carrying out transactions with precious metals and precious stones, jewellery;
 - 16) individual entrepreneurs and legal entities providing intermediary services transactions of purchase and sale of real estate;
 - 17) Is excluded by the Law of the Republic of Kazakhstan dated 26.07.2016 № 12-VI (shall be enforced upon expiry of thirty calendar days after the day of its first official publication);
 - 18) social health insurance fund.
 - 19) participants of the International Financial Center "Astana," carrying out separate activities in the territory of the International Financial Center "Astana" (hereinafter referred to as the AIFC), determined by the AIFC Committee on Financial Services Regulation in agreement with the authorized body in accordance with the recommendations of the Financial Action Task Force (FATF).
 - 20) individuals issuing and circulating secured digital assets.
2. State bodies of the Republic of Kazakhstan are not the subjects of financial monitoring.
3. The subjects of financial monitoring specified in subparagraphs 7) (with the exception of lawyers), 13), 15) and 16) of paragraph 1 of this article are obliged to send a notification of the beginning or termination of activities to the authorized body in the manner established by the Law of the Republic of Kazakhstan "On permits and notifications."

Footnote. Article 3 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.06.2013 № 106-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 206-V (shall be enforced upon expiry of six months after the date of its first official publication); from 02.08.2015 № 343-V (shall be enforced with 20.04.2016); from 26.07.2016 №12- VI (order of enactment see article 2); dated 02.07.2018 № 168-VI (shall be enforced from 16.12.2020); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Article 4. Transactions with money and (or) other property subjected to financial monitoring

1. The transaction with money and/or other property shall be subject to financial monitoring:

1) if the amount of the transaction is equal to or exceeds KZT 1,000,000 and by its nature this transaction relates to the receipt of cash winnings based on the results of betting, gambling in gambling establishments and lottery, including in electronic form;

1-1) if the amount of the transaction is equal to or exceeds KZT 3,000,000 and by its nature this transaction refers to the performance by pawnshops of transactions with money, securities, precious metals and precious stones, jewelry made of them and other values (except for coins of national currency made of precious metals) in cash or cashless form;

2) if the transaction amount is equal to or more than KZT 5,000,000 or equals the amount in foreign currency equivalent to KZT 5,000,000 or more, and by its nature this transaction refers to one of the following types of transactions:

transfers of money abroad to accounts (in deposits) opened to the anonymous owner, receipt of money from abroad from an account (deposit) opened to the anonymous owner in cash or cashless form;

purchase and sale of precious metals and precious stones, jewelry from them in cash or cashless form;

crediting or transferring money to a client's bank account by an individual, legal entity, or foreign structure without forming a legal entity, having, respectively, registration, place of residence, or location in an offshore zone, as well as holding an account with a bank registered in an offshore zone, or client's transactions with money and (or) other property with the specified category of persons in cash or non-cash form;

3) if the transaction amount equals or exceeds KZT 7,000,000 or equals the amount in foreign currency equivalent to KZT 7,000,000 or more, and by its nature this transaction refers to one of the following types of transactions:

payments and transfers made by the client to another person free of charge, in cash or in non-cash form;

transactions with shares and shares of mutual investment funds, with the exception of repo transactions on the organized market through open trading, in cash or cashless form;

4) if the transaction amount equals or exceeds KZT 10,000,000 or equals the amount in foreign currency equivalent to KZT 10,000,000 or more, and by its nature this transaction refers to one of the following types of transactions:

buying, selling and exchanging foreign currency through exchange points in cash;

withdrawing money from a bank account or crediting money to the client's bank account, as well as receiving cash from the client or issuing cash to the client, except as provided in paragraphs five and six of this subparagraph, in cash;

transactions committed by legal entities that have passed less than three months since the state registration in cash or non-cash form;

making an insurance payment or receiving an insurance premium in cash;

making, transferring voluntary pension contributions to a unified accumulative pension fund and/or a voluntary accumulative pension fund, as well as making pension payments from a unified accumulative pension fund and/or a voluntary accumulative pension fund through voluntary pension contributions in cash;

transactions for the provision of services, including contract, transportation, transport expedition, storage, commission, trust management of property, with the exception of safe deposit boxes, cabinets and premises, in cash;

receiving money on a check or bill of exchange in cash;

import into the Republic of Kazakhstan or export from the Republic of Kazakhstan of cash currency, documentary bearer securities, bills of exchange, checks, with the exception of import or export carried out by the National Bank of the Republic of Kazakhstan, banks and the National Postal Operator;

5) if the transaction amount equals or exceeds KZT 45,000,000 or equals the amount in foreign currency equivalent to KZT 45,000,000 or more, and by its nature this transaction refers to one of the following types of transactions:

receipt or provision of property under a financial lease agreement in cash or non-cash form;

transactions with bonds and government securities, except for repo transactions on the organized market by open trading, in cash or non-cash form;

acquisition (sale) of cultural property in cash, import into the Republic of Kazakhstan or export of cultural property from the Republic of Kazakhstan;

6) if the transaction amount is equal to or more than KZT 50,000,000 or equal to the amount in foreign currency equivalent to KZT 50,000,000 or more and made in cash or non-cash form by the client who received a loan under the programs of financing of business entities at the expense of the National Fund of the Republic of Kazakhstan within the framework of bond loans of entities of the quasi-public sector;

7) if the amount of the transaction in foreign currency is equal to or exceeds KZT 100 000 000 in equivalent and by its nature this transaction refers to cross-border payment and transfer of money in non-cash form from a bank account or to a client's bank account;

8) if the transaction amount equals or exceeds KZT 50,000,000 or equals the amount in foreign currency equivalent to KZT 50,000,000 or more, and by its nature this transaction refers to a transaction with immovable property, the result of which is the transfer of ownership of such property.

If the transaction with money and (or) other property is carried out in foreign currency, the equivalent of the amount in KZT is calculated at the market exchange rate of currency on the day of such transaction, determined in accordance with the legislation of the Republic of Kazakhstan.

2. Excluded by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

3. Suspicious transactions shall be subject to financial monitoring regardless of the manner in which they are carried out and the amount by which they are or may be committed.

Transactions shall be recognized as suspicious in accordance with the programs for implementing the internal control rules of the subject of financial monitoring or as a result of studying transactions on the grounds specified in paragraph 4 of this Article, the subject of financial monitoring has reason to believe that the client's transactions are related to the legalization (laundering) of proceeds of crime and (or) financing of terrorism.

4. Compulsory ground for studying the transactions by a subject of financial monitoring, committed by a client and fixing the results of such study in accordance with Article 5 of this Law are:

1) commission of a difficult, unusually major or not having obvious economic substance or visible legal purpose transaction with money and (or) other property;

2) commission of actions by a client oriented to deviation from a proper inspection and (or) financial monitoring provided by this Law;

3) commission of a transaction with money and (or) other property by a client on which there are the grounds to suppose than it is oriented to cash out received by illegal means;

4) commit transactions in cash and (or) other assets, to which the person registered (living) in a State (territory), which does not comply with and (or) insufficient compliance with the recommendations of the financial action task force force on money laundering (FATF), as well as using a bank account registered in that state (territory).

The list of states (territories) that do not comply with and/or do not sufficiently implement the recommendations of the Financial Action Task Force (FATF) shall be compiled by the designated authority, taking into account documents issued by the Financial Action Task Force (FATF), which shall be posted on its Internet resource.

5. Financial monitoring is subject to client operations, having the characteristics relevant typologies, patterns and ways of legalization (laundering) of criminal proceeds and financing of terrorism.

Typologies, schemes and methods of legalization (laundering) of criminal proceeds and financing of terrorism shall be approved by the authorized body and brought to the subjects of financial monitoring by placing on their Internet resource.

Footnote. Article 4 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of three months after its first official publication); dated 21.06.2013 № 106-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 206-V (shall be enforced upon expiry of six months after the date of its first official publication); from 02.08.2015 № 343-V (order of enactment see article 2); from 22.12.2016 № 28-VI (entered into force on the expiry of ten calendar days after the date of its first publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 5. Proper inspection by subjects of financial monitoring of clients

1. Subjects of financial monitoring shall take measures on a proper inspection of own clients (their representatives) and beneficiary owners in accordance with the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism.

2. Subjects of financial monitoring shall carry out proper inspection of clients (their representatives) and beneficiary owners in cases of:

1) establishment of business relations with a client;

2) carrying out transactions with money and (or) other property, including suspicious transactions;

3) Excluded by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication);

4) the existence of grounds for doubt about the reliability of previously obtained information about the client (its representative), the beneficial owner.

3. Proper inspection of own clients (their representatives) and beneficiary owners by subjects of financial monitoring and shall include the carrying out of the following measures:

1) fixing the details required for identifying an individual:

data of a document certifying his (her) identity, individual identification number (with the exception of cases when the individual is not assigned by the individual identification number in accordance with the legislation of the Republic of Kazakhstan), as well as legal address;

2) fixing the information necessary to identify a legal entity (branch, representative office) : data of a certificate of state (account) registration (re-registration) of a legal entity (branch, representative office), business identification number (except for cases when a legal entity has not been assigned a business - identification number in accordance with the legislation of the Republic of Kazakhstan), the nature of the activity, as well as the address of the place of registration or location;

2-1) fixing the information necessary to identify a foreign structure without forming a legal entity: name, number (if any), under which a foreign structure without forming a legal entity is registered in a foreign state (on the territory), location address, place of main activity, nature of the activity, and in relation to trusts and other foreign structures without forming a legal entity with a similar structure or function, also the composition of property under management (property), surname, name, patronymic (if it is indicated in an identity document) and address of the place residence (location) of the founders (participants) of a foreign structure without forming a legal entity and beneficial owners (if any);

2-2) identifying the beneficial owner and fixing the information necessary for identification, in accordance with subparagraph 1) of this paragraph, with the exception of the legal address.

To identify the beneficiary owner of a client - a legal entity, a foreign structure without forming a legal entity, the subject of financial monitoring on the basis of the constituent documents and the register of shareholders of such a client, the register of beneficiary owners of legal entities or information obtained from other sources, shall establish the structure of its ownership and management.

At the same time, the subject of financial monitoring, if, when identifying the beneficiary owner, discovers that the information provided by the legal entity does not correspond to the information contained in the register of beneficiary owners of legal entities, and there are sufficient grounds to believe that the activities of such a legal entity are related to legalization (laundering) of income and financing of terrorism , is obliged to terminate or refuse to establish a business relationship with such a legal entity.

If there are grounds for doubt whether an individual who directly or indirectly owns more than twenty-five percent of the shares in the authorized capital or placed (minus preferred and redeemed by the company) shares of a client - a legal entity, a foreign structure without forming a legal entity, is a beneficial owner, it is allowed to recognize as the beneficial owner an individual carrying out control over a client - a legal entity, a foreign structure without forming a legal entity in any other way, or in whose interests the client - a legal entity, a foreign structure without forming a legal entity performs transactions with money and (or) other property.

If, as a result of taking the measures provided for in this subparagraph, the beneficial owner of the client - a legal entity, foreign structure without forming a legal entity has not been identified, it shall be allowed to recognize the sole executive body or the head of the collegial executive body of the client - a legal entity, a foreign structure without forming a legal entity as the beneficial owner.

Recording the information necessary to identify the beneficial owner shall be carried out on the basis of information and (or) documents provided by the client (his/her representative) or obtained from other sources.

Banks, stock exchanges, and the central depository shall have the right not to identify and record information about the person specified in paragraph four of subparagraph 3) of Article 1 of this Law, if the client is a state body of the Republic of Kazakhstan, a professional participant in the securities market, an insurance company, except in cases of suspicion that business relations are used by the client for the purpose of legalization (laundering) of proceeds from crime or financing of terrorism;

3) Is excluded by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of six months after the date of its first official publication);

4) establishment of supposed purpose and character of business relations;

5) conduct of inspection of business relations and study of transactions carried out by a client on a permanent basis through this subject of financial monitoring, including receipt and fixing the details on a source of financing of committed transactions when necessary;

6) verification of the accuracy of information required to identify a client (his representative), beneficial owner, and updating the information about a client (his representative) and beneficial owner.

In relation to the client's representative, the authorization of such person to act on behalf of and (or) in the interests of the client is additionally checked.

The information shall be updated in cases provided for in paragraph 2 of this Article and internal control rules.

If there is reason to doubt the reliability of previously received information about the client (his/her representative), beneficial owner, updating information about the client (his/her representative) and the beneficial owner shall be carried out within fifteen working days following the day the subject of financial monitoring makes a decision on the existence of such a doubt.

The measures provided for in subparagraphs 1), 2), 2-1) and 2-2) of this paragraph are carried out by an insurance (reinsurance) company, an insurance broker, a mutual insurance company, the Export Credit Agency of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan, branches of insurance brokers - non-residents of the Republic of Kazakhstan before paying the insurance bonuses and (or) making an insurance payment.

3-1. Measures provided in this Article shall not be taken in the following cases:

1) upon carrying out the following one-time operations:

upon carrying out of transactions by the unidentified owners of electronic money - individuals transactions on acquisition and use of electronic money, not exceeding the amount provided by paragraph 4 of Article 44 of the law of the Republic of Kazakhstan "On payments and payment systems";

upon carrying out of a transaction by a client-individual on crediting of money on a bank account of the individual or making a payment in favor of the service provider by equipment (device) intended for acceptance of cash money, if the sum of such transaction shall not exceed 500000 tenge or sum in a foreign currency being equivalent to 500000 tenge;

upon carrying out of a wire payment or money transfer by a client without use of a banking account, if the sum of such payment or money transfer shall not exceed 500000 tenge or the sum in a foreign currency being equivalent to 500000, with the exception of cases of commission of suspicious transaction by the client;

upon carrying out of a transaction by a client on purchase, sale or exchange of cash foreign currency in a bureau of exchange, if the sum of such transaction shall not exceed 500000 tenge or the sum in a foreign currency being equivalent to 500000, with the exception of cases of commission of suspicious transaction by the client;

upon carrying out of a transaction by a client-individual with the use of payment card that shall not be a mean of access to banking account of such client, if the sum of such transaction shall not exceed 200000 tenge or sum in a foreign currency equivalent to 200000 tenge;

upon carrying out of a transaction by a client-individual on payment of amounts owed under enforcement proceedings in favor of state authorities by equipment (device) intended for acceptance of cash money;

when the individual customer performs a transaction to purchase jewelry from precious metals and precious stones at retail, if the amount of such transaction does not exceed KZT 500,000 or the amount in foreign currency equivalent to KZT 500,000, except for cases of suspicious transaction by the client;

when an individual customer performs an operation to purchase refined gold in bullion through exchange points, if the amount of such transaction does not exceed KZT 500,000, except for cases of suspicious transaction by the client;

when an individual customer performs an operation to pay an insurance premium under an insurance contract, if the amount of such transaction does not exceed KZT 100,000 or an amount in foreign currency equivalent to KZT 100,000, except in cases of suspicious transaction by the client;

2) Is excluded by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication);

3) Is excluded by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (

shall be enforced upon expiry of sixty calendar days after the day of its first official publication);

3-2. Subjects of financial monitoring specified in Subparagraphs 1) - 5), 11) and 12) of Paragraph 1 of Article 3 of this Law, within the remotely established business relations with a client shall have the right to make operations, with the exception of cross-border payments, without taking measures for verification the accuracy of information, necessary for identification of the client (his representative), beneficiary owner, provided by Subparagraph 6) of part one of Paragraph 3 of this Article, in the following cases:

1) carrying out the transactions by a client on payment of taxes, penalties, fines and other compulsory payments to the budget, as well as insurance premiums under contracts of compulsory insurance;

2) crediting of money to the client's bank account.

4. Proper inspection by subjects of financial monitoring of own clients (their representatives) and beneficiary owners shall be carried out in accordance with the rules of internal control.

5. The subject of financial monitoring shall have the right to require the client (his representative) to submit information and documents necessary or sufficient to identify the client (his representative), identify the beneficial owner, as well as provide information about the tax residence, type of activity and source of financing of transactions.

Clients (their representatives) shall be obliged to provide financial monitoring entities with the information and documents necessary for their fulfillment of the obligations stipulated by this Law, including information about beneficial owners.

Financial monitoring entities referred to in subparagraphs 1), 2), 3), 4), 5), 11) and 12) paragraph 1 of Article 3 of this Law, when taking the measures provided for in this Article, ensure the receipt of information about the beneficial owners of customers in the form, approved by an authorized body, in consultation with state bodies exercising, within the limits of their competence, state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds of crime and the financing of terrorism.

Information on beneficial owners shall be submitted by clients (their representatives) at the request of the subject of financial monitoring in the manner determined by the authorized body.

6. The subjects of financial monitoring specified in sub-paragraphs 1) - 5), 11) and 12) of paragraph 1 of Article 3 of this Law may rely on the measures provided for in sub-paragraphs 1), 2), 2-1), 2-2), 4) and 6) paragraph 3 of this article adopted in respect of the relevant clients (their representatives) and beneficial owners by other subjects of financial monitoring, as well as foreign financial organizations, subject to the following conditions:

1) a financial monitoring entity that relies on due diligence measures taken by another financial monitoring entity or a foreign financial institution must immediately receive data

about the client (his representative), the beneficial owner, including copies of supporting documents, within the framework of the measures provided for in sub-paragraphs 1), 2), 2-1), 2-2), 4) and 6) of paragraph 3 of this article;

2) a subject of financial monitoring, that relies on due diligence measures of the client (his/her representative) and the beneficial owner, taken by the foreign financial organization, must establish that the activities of such a foreign financial organization shall be subject to licensing, regulation, and supervision in the state in which it is registered and that such a subject of financial monitoring or a foreign financial organization takes measures for due diligence of the client (his/her representative) and the beneficial owner, similar to the requirements of this Article, and also stores documents and information obtained as a result of due diligence for at least five years from the date of termination of business relations with the client (his/her representative) and the beneficial owner.

6-1. Subjects of financial monitoring specified in subparagraphs 1) - 5), 11) and 12) of paragraph 1 of Article 3 of this Law and being members of a financial group may rely on due diligence measures for clients (their representatives) and beneficial owners provided for in subparagraphs 1), 2), 2-1), 2-2), 4) and 6) of paragraph 3 of this Article, adopted in relation to the relevant clients (their representatives) and beneficial owners by other members of such a financial group, subject to the following conditions:

1) provided for by paragraph 6 of this Article;

2) members of the financial group comply with the internal control rules of the relevant subject of financial monitoring;

3) the responsible organization of the financial group implements and ensures compliance by the participants of the financial group with the internal control rules of the relevant subject of financial monitoring in the manner established by the internal control rules;

4) availability of written consent of the client (his/her representative) and the beneficial owner of the subject of financial monitoring specified in subparagraphs 1) - 5), 11) and 12) of paragraph 1 of Article 3 of this Law and being a member of a financial group for the transfer to other participants of such a financial group and their use of information and documents about the client (his/her representative) and the beneficial owner.

7. in the cases and manner prescribed by the rules of the internal control, as well as depending on the degree of risk of the legalization (laundering) of proceeds received by criminal way and terrorism financing subjects of financial monitoring are applied enhanced and simplified customer due diligence measures.

Application of simplified customer due diligence measures includes implementation subject to financial monitoring of one or more of the following:

1) decrease the refresh frequency of customer identification data;

2) reduction in the frequency of inspection of business relations and study client operations through the entity financial monitoring;

3) definition of the objectives and nature of business relations on the basis of the nature of operations.

Simplified due diligence measures of clients shall not be applied if the subject of financial monitoring has grounds to believe that the purpose of business relationships or transactions performed by the client is the legalization (laundering) of proceeds from crime or the financing of terrorism, as well as in cases of a high level of risk of legalization (laundering) proceeds from crime and financing of terrorism.

When applying the enhanced customer due diligence measures subjects of financial monitoring, in addition to the measures imposed by paragraph 3 of this article, further carry out one or more of the following:

- 1) attribution planned or conducted transactions;
- 2) increased number and frequency of checks and identify the nature of the operations that require further verification;
 - 2-1) obtaining information about the type of activity and the source of financing of operations;
 - 3) obtaining permission Manager organization on the establishment, continuation of business relations with clients.

Enhanced due diligence measures of clients (their representatives) and beneficial owners shall be applied at a high level of risk of legalization (laundering) of proceeds from crime and financing of terrorism.

Simplified due diligence measures of clients (their representatives) and beneficial owners shall be applied at low risk of legalization (laundering) of proceeds from crime and financing of terrorism.

8. Subjects of financial monitoring may delegate other persons, including other subjects of financial monitoring, application of the measures imposed by subparagraphs 1), 2), 2-1), 2-2) and 4) of paragraph 3 of this article, on the basis of concluded contracts with such persons.

The subject of financial monitoring, on the basis of the contract and asked the other person to enforce the measures provided for paragraphs 1, 2), 2-1), 2-2) and 4) of paragraph 3 of this article shall:

- 1) ensure compliance with the rules of internal control that person subject to financial monitoring, taking into account the terms and conditions of the agreement;
- 2) ensure timely receipt by that person of the client data (his representative), the beneficial owner, including copies of the supporting documents;
- 3) to periodically supervise the observance of rules of internal control that person subject to financial monitoring, as well as the requirements of this law and adopted in accordance with the regulations on due diligence customers (or their representatives) and beneficial owners.

Requirements under part 2 of this paragraph shall also apply to cases of granting of subjects of financial monitoring, specified in subparagraphs 1)-5) of paragraph 1 of article 3

of this law, the rights of other persons on the conclusion, on behalf of the such subjects of financial monitoring of contracts financial services in cases stipulated by the laws of the Republic of Kazakhstan.

The subject of financial monitoring, on the basis of the contract and asked the other person to enforce the measures provided for paragraphs 1, 2), 2-1), 2-2) and 4) of paragraph 3 of this article, shall be responsible for compliance with any such person with the requirements of the present law and adopted in accordance with the regulations on customer due diligence (or their representatives) and beneficial owners.

The subject of financial monitoring, which, on the basis of an agreement, instructed a foreign financial institution to apply measures for due diligence of clients (their representatives) and beneficial owners, provided for in subparagraphs 1), 2), 2-1), 2-2) and 4) of paragraph 3 of this Article, shall be obliged to take into account the possible risks of legalization (laundering) of proceeds from crime and financing of terrorism.

9. Requirements for due diligence of clients in case of remote establishment of business relations by financial monitoring subjects specified in subparagraphs 1) (with the exception of legal entities operating exclusively through exchange offices on the basis of a license from the National Bank of the Republic of Kazakhstan for exchange transactions with foreign currency in cash), 2) (with the exception of commodity exchanges), 3), 4), 5) and 11) of paragraph 1 of Article 3 of this Law, shall be established by the authorized body for regulation, control, and supervision of the financial market and financial organizations in agreement with the authorized body.

Entities of financial monitoring shall not establish business relations remotely if:

1) the client (his representative) and the beneficial owner are a person included in the list of persons involved in terrorist activities, as well as a list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, and (or) in the list of organizations and persons associated with the financing of terrorism and extremism ;

2) the client (his representative) and the beneficial owner shall be an established person or organization for which international sanctions are applied in accordance with the resolutions of the United Nations Security Council;

3) the client shall be a person who is assigned a level of risk requiring the application of enhanced due diligence measures in accordance with paragraph 7 of this Article and the rules of internal control, with the exception of the conclusion by insurance organizations of insurance contracts in electronic form, insurance premium and (or) insurance payment for which are made through bank accounts.

10. Financial monitoring entities, as part of due diligence of clients (their representatives) and beneficial owners, shall be obliged to apply additional measures to persons who have a

registration, residence or place of residence in a state (territory) that do not comply with and/or do not sufficiently implement the recommendations of the Financial Action Task Force (FATF):

- 1) implementation of enhanced measures of due diligence of clients;
- 2) review or, if necessary, termination of correspondent relations with financial organizations.

The measures for due diligence of clients (their representatives) and beneficial owners referred to in paragraphs 6, 6-1 and 8 of this Article shall not be applied by financial monitoring entities in case of establishing business relations with a person having a registration, residence or place of residence in a State (territory) that does not comply with and/or does not sufficiently comply with the recommendations of the Financial Action Task Force (FATF).

Subjects of financial monitoring shall not be entitled to perform the actions provided for in paragraphs 6, 6-1 and 8 of this Article, in the event of registration, stay or location of another subject of financial monitoring or a foreign financial organization in a state (on the territory) that does not implement and (or) insufficiently implements the recommendations of the Financial Action Task Force on Money Laundering (FATF).

11. The requirements for due diligence of clients in case of remote establishment of business relations with financial monitoring entities specified in subparagraph 19), paragraph 1, of the of Article 3 of this Law shall be established by the AIFC Committee on Financial Services Regulation in agreement with the authorized body.

Footnote. Article 5 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 206-V (the order of enforcement see Article 2); from 02.08.2015 № 343-V (entered into force six months after the date of its first publication); from 26.07.2016 №12- VI (entered into force on the expiry of thirty days after the date of its first publication); from 27.02.2017 № 49-VI (entered into force with 01.01.2018) ; dated 24.05.2018 №. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2018 №. 166-VI (shall be enforced from 01.01.2019); dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication); dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Article 6 Due diligence by subjects of financial monitoring of the client (his/her representative) and the beneficial owner in case of establishment of business relations

Subjects of financial monitoring, except for the cases specified in paragraphs 3-1 and 3-2 of Article 5 of this Law shall take measures for due diligence of clients (their representatives) and beneficial owners, provided for in subparagraphs 1), 2), 2-1), 2-2), 4) and 6) of paragraph 3 of Article 5 of this Law, until the establishment of business relations.

Footnote. Article 6 is in the wording of the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 6-1. Register of beneficiary owners of legal entities

1. The register of beneficiary owners of legal entities shall be maintained by the authorized body.

2. The register of beneficiary owners of legal entities shall contain the following information:

- 1) the name of the legal entity;
- 2) business identification number of the legal entity;
- 3) organizational and legal form of the legal entity;
- 4) legal address;
- 5) last name, first name, patronymic (if it is indicated in the identity document) of the head of the legal entity;
- 6) last name, first name, patronymic (if it is indicated in the identity document) of the beneficiary owner of the legal entity;
- 7) citizenship of the beneficiary owner of the legal entity;
- 8) number of the identity document of the beneficiary owner of the legal entity;
- 9) size of the ownership share of the beneficiary owner of the legal entity;
- 10) individual identification number of the beneficiary owner (if any).

3. The register of beneficiary owners of legal entities shall be maintained by the authorized body by:

- 1) integration with information systems of other state bodies;
- 2) provision to the authorized body by law enforcement, special state bodies of information on the beneficiary owners of legal entities identified in the course of their activities;
- 3) directing an inquiry by the authorized body to other state bodies and organizations;
- 4) provision by legal entities of information and data on their beneficiary owners at the authorized body's request;
- 5) provision by financial monitoring subjects of information and data on the beneficiary owners of legal entities identified in the course of their activities.

4. The authorized body shall provide information and data from the register of beneficiary owners on the beneficiary owner of the legal entity:

1) to state bodies of the Republic of Kazakhstan, exercising, within their competence, control over compliance by the of financial monitoring subjects with the legislation of the Republic of Kazakhstan on combating legalization (laundering) of proceeds from crime and financing of terrorism, on entities controlled by them;

2) law enforcement and special state bodies;

3) financial monitoring subjects.

The information provided by the authorized body is not a violation of the conditions for the collection, processing of personal data, as well as other information protected by law.

5. The procedure for maintaining the register of beneficiary owners of legal entities shall be determined by the authorized body.

Footnote. Chapter 2 is supplemented with Article 6-1 pursuant to the Law of the Republic of Kazakhstan dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication).

Article 7. Due verification of clients by subjects of financial monitoring when carrying out transactions with money and (or) other property

Footnote. The title of Article 7 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

1. The subjects of financial monitoring, prior to conducting transactions with money and (or) other property, take measures specified in subparagraphs 1), 2), 2-1), 2-2), 4) and 6) of paragraph 3 of Article 5 of this Law, except for the cases provided for paragraphs 3-1 and 3-2 of Article 5 of this Law, and when such measures are taken when establishing business relations.

2. When making non-cash payments and money transfers in favor of a foreign financial organization on the instructions of clients, with the exception of payments and money transfers using payment cards, as well as cases provided for in paragraphs two, three, and six of subparagraph 1) of paragraph 3-1 of Article 5 of this of the Law, banks, and organizations carrying out certain types of banking transactions, including intermediary banks, as well as postal operators providing money transfer services shall ensure that the payment document and the transfer to the participant of the payment (transfer) money have the details provided for by the legislation of the Republic of Kazakhstan, including:

surname, name, patronymic (if any), or full or abbreviated names (for legal entities, foreign structures without forming a legal entity) of the sender and recipient of money (beneficiary);

individual identification coders of a sender and recipient of money (beneficiary), if the money transfer is carried out with the use of banking account, or the number of instruction on payment or money transfer, if the money transfer is carried out without the use of a banking account;

Identification number or address of the sender of money (for individuals and legal entities, foreign structures without forming a legal entity) or the number of the document proving the identity of the sender of money (for an individual).

Second-tier banks and organizations engaged in certain types of banking transactions, including intermediary banks, as well as postal operators providing money transfer services shall control the presence in the payment document of the information specified in part one of this paragraph upon receipt of payment and money transfer from a foreign financial institution, as well as record and store the information necessary to identify the recipient of the money transfer without using a bank account.

Footnote. Article 7 is in the wording of the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of six months after the date of its first official publication); with the changes made by the Law RK of 02.08.2015 № 343-V (enters into force after six months after day of its first official publication); dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 8. Proper verification by financial monitoring entities of public officials

Footnote. Title of the Article 8 as amended by the Law of the RK dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

1. The subjects of financial monitoring, in addition to the measures provided for in paragraph 3 of Article 5 of this Law, in relation to public officials specified in paragraphs 6, 7 and 8 of subparagraph 3- 2) of Article 1 of this Law, shall be additionally obliged to:

- 1) check the belonging and/or involvement of the client (his representative) and the beneficial owner to the public official, his spouse (s) and close relatives;
- 2) assess the reputation of this public official in relation to his involvement in cases of legalization (laundering) of proceeds of crime and financing of terrorism;
- 3) obtain written permission from the organization's senior employee to establish and continue business relations with such clients;
- 4) take available measures to establish the source of origin of money and (or) other property of such a client (his/her representative) and the beneficial owner;
- 5) apply on an ongoing basis enhanced due diligence measures of clients (their representatives) and beneficial owners.

2. The subjects of financial monitoring, in addition to the measures provided for in paragraph 3 of Article 5 of this Law, in relation to public officials included in the list of public officials approved by the President of the Republic of Kazakhstan, their spouses and close relatives who are assigned a high-risk level, shall be additionally obliged to apply measures established by subparagraphs 1), 2), 3), 4) and 5) of paragraph 1 of this Article.

3. The list of public officials, with the exception of persons provided for in paragraphs 6, 7 and 8 of subparagraph 3-2) of Article 1 of this Law, shall be approved by the President of the Republic of Kazakhstan.

4. From the date of termination of execution by a public official included in the list of public officials approved by the President of the Republic of Kazakhstan, the provisions of paragraph 2 of this Article shall apply to a public official, his spouse (spouse) and close relatives within twelve months.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 9. Proper inspection upon establishment of correspondent relations with foreign financial organizations

Besides the measures provided by of paragraph 3 of Article 5 of this Law, upon establishment of correspondent relations with foreign financial organizations, the subjects of financial monitoring mentioned in subparagraph 1) of paragraph 1 of Article 3 of this Law additionally shall be obliged to:

1) on the basis of publicly available information to carry out collection and documentary fixation of data about the reputation and nature of the activity of the foreign financial organization-respondent, including conducting an investigation against it and applying sanctions against it for violating the legislation of the country of its registration on combating the legalization (laundering) of proceeds from crime and financing of terrorism;

2) fix information documentarily on measures of internal control taken by a foreign financial organization-respondent in accordance with the legislation of the country of its registration on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism, as well as carry out assessment of effectiveness of taken measures of internal control;

2-1) to receive confirmation that the foreign financial organization respondent carried out an appropriate inspection of the client having the direct access to accounts of correspondent bank and that it has an opportunity to provide necessary information on appropriate check of the client at the request of correspondent bank;

3) not to establish and not to maintain correspondent relations with shell-banks;

4) certify that the foreign financial organization – respondent refuses from use of own accounts by shell-banks;

5) obtain permission of a leading employee of organization for establishment of new correspondent relations.

Existence of correspondent relations of a foreign financial organization - respondent with shell-banks shall be determined on the basis of information provided by foreign financial organization –respondent and (or) received by a subject of financial monitoring from other sources.

Footnote. Article 9 is in the wording of the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); with the changes made by the Law RK of 02.08.2015 № 343-V (enters into force after six months after day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 10. Collection of data and information on transactions subject to financial monitoring

Footnote. The title of Article 10 as amended by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

1. Is excluded by the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

2. Subjects of financial monitoring shall submit to the authorized body information and information about transactions subject to financial monitoring, which contain information about the subject of financial monitoring, information about the transaction, including information about the participants in the transaction, and, if necessary, a sign of determining a suspicious transaction, additional information about the transaction subject to financial monitoring.

The procedure for providing financial monitoring entities with information and information on transactions subject to financial monitoring and signs of determining a suspicious transaction shall be determined by an authorized body in coordination with state bodies that, within the limits of their competence, exercise state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

Data and information on transactions subject to financial monitoring shall be documented and submitted to the authorized body by financial monitoring entities electronically through dedicated communication channels in Kazakh or Russian.

Data and information on transactions subject to financial monitoring by financial monitoring entities shall be provided in the following terms:

Article 4, paragraph 1, of this Law shall not be later than the working day following the day of commission;

in accordance with paragraph 3 of Article 4 of this Law within the time limits established by paragraph 2 of Article 13 of this Law;

in accordance with paragraph 5 of Article 4 of this Law, not later than the working day following the day of recognition of the client's transaction having characteristics corresponding to typologies, schemes, methods of legalization (laundering) of criminal proceeds and financing of terrorism, and recording the results of such recognition.

3. Data and information about the transaction to be financially monitored shall not be provided:

1) lawyers, legal advisers and other independent legal experts in the event that such information and information shall be obtained in connection with the provision of legal assistance in the representation and protection of individuals and (or) legal persons in the bodies of inquiry, preliminary investigation, courts, as well as in their provision of legal assistance in the form of consultations, explanations, advice and written opinions on issues whose resolution requires professional legal knowledge, the preparation of claims, complaints and other legal documents;

2) notaries when performing notarial actions not related to money and (or) other property, as well as when providing them with legal assistance in the form of consultations, explanations on issues whose resolution requires professional legal knowledge.

3-1. When carrying out the analysis of information obtained according to the present Law, the authorized body in case of need sends to the subject of financial monitoring inquiry for granting necessary for information, data and documents.

For the purposes specified in subparagraph 1), paragraph 2 of Article 18 and paragraph 2 of Article 19-1 of this Law, the authorized body shall send to the subject of financial monitoring a request for the provision of the necessary data, information and documents.

The subject of financial monitoring is obliged to provide in authorized body by its inquiry necessary information, data and documents within three working days from the date of receiving the corresponding inquiry.

At the request of authorized body, connected with the analysis of suspicious operation, the subject of financial monitoring is obliged to provide necessary information, the information and documents no later than the working day from the date of receiving inquiry.

In cases when processing of inquiry requires extra time, authorized body the term specified regarding the third the present point, no more than for ten working days having the right to prolong according to the written address of the subject of financial monitoring.

The authorized body has no right to request information, data and documents on the operations made before enforcement of the present Law except for information, information and documents which are provided on the basis of the international treaty ratified by the Republic of Kazakhstan.

For the purpose mentioned in subparagraph 1) of paragraph 2 of Article 18 and paragraph 2 of Article 19 of this Law, the authorized body shall direct a request to a subject of financial monitoring for provision of necessary information, details and documents.

3-2. Upon receipt of a request from the authorized body for the provision of the necessary data, information and documents on international money transfers made through the money transfer system, functioning in the territory of the Republic of Kazakhstan, banks and organizations carrying out certain types of banking operations, on the basis of the concluded agreement with the operator of the money transfer system in accordance with the Law of the Republic of Kazakhstan "On Payments and Payment Systems," from the moment of receiving the corresponding request, they request the following data and information from the operator of the money transfer system:

1) surname, name, patronymic (if it is indicated in the identity document), or full or abbreviated names (for legal entities, foreign structures without forming a legal entity) of the sender and recipient of money (beneficiary);

2) individual identification number (if any), date of birth, place of birth, number of the identification document of the sender and recipient of the money (beneficiary).

In accordance with the concluded agreement, operators of money transfer systems shall be obliged to provide banks and organizations carrying out certain types of banking operations with the necessary data and information within two working days from the date of receipt of the corresponding request.

4. Expenses linked with transfer of details to the authorized body on a transaction subjected to financial monitoring, received upon conduct of proper inspection of a client shall be incurred by subjects of financial monitoring.

Footnote. Article 10 is in the wording of the Law of the Republic of Kazakhstan dated 21.06.2012 № 19-V (the order of enforcement see Article 2); as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 №. 206-V (shall be enforced upon expiry of six months after the date of its official publication); from 02.08.2015 № 343-V (an order of enforcement see Art. 2); of 26.07.2016 № 12-VI (enters into force after thirty calendar days after day of its first official publication); of 22.12.2016 № 28-VI (enters into force after ten calendar days after day of its first official publication); dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 11. Maintenance of internal control by subjects of financial monitoring

1. Subjects of financial monitoring shall take measures in accordance with which the services they provide will not be used by other persons for the purposes of committing or assisting in the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction.

2. In order to prevent the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction, the subjects of

financial monitoring shall develop internal control rules and programs for its implementation, and shall also be responsible for compliance with the rules and implementation of programs.

3. The internal control rules shall be developed, and adopted by the management body or the executive body of the financial monitoring subjects with the formation of a legal entity and the subject of financial monitoring without forming a legal entity and shall be executed by the subjects of financial monitoring, taking into account the results of assessing the degree of exposure of the services of financial monitoring subjects to the risks of legalization (laundering) of proceeds and financing of terrorism, the size, nature, and complexity of the organization and, in addition to the requirements for the activities of the subject of financial monitoring in the course of internal control provided for by this Law, should include:

- a program for organizing internal control in order to counter the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction, including the requirement to appoint a person responsible for the implementation and compliance with internal control rules from among the executives of the subject of financial monitoring or other heads of the financial monitoring subject not lower than the level of the head of the relevant structural unit, as well as other requirements for employees of financial monitoring subjects responsible for the implementation and compliance with internal control rules, including the presence of an impeccable business reputation;

- risk management program (low, high-risk levels) of legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction, taking into account the risks of clients and the risks of using services for criminal purposes, including the risk of using technological advances;

- identification program of clients;

- monitoring program and study of transactions of clients including study of difficult, unusual big and other unusual transactions of clients;

- a program of training and education of subjects of financial monitoring in the field of combating the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction;

- other programs that may be developed by subjects of financial monitoring in accordance with the rules of internal control.

Subjects of financial monitoring specified in subparagraphs 1) - 5), 11) and 12) of paragraph 1 of Article 3 of this Law and being the members of a financial group shall have the right to develop, adopt and implement internal control rules for this financial group, taking into account the specifics and characteristics of its participants.

3-1. Subjects of financial monitoring shall ensure compliance and realization of the rules of internal control by own branches, representatives, branch organizations located as in the Republic of Kazakhstan, so beyond its borders, if it is not inconsistent with the legislation of the state of their location.

Subjects of financial monitoring shall be obliged to report to the authorized body and the body of control and supervision about the facts of the impossibility of compliance with and implementation of the rules of internal control by their branches, representative offices, subsidiaries located outside the Republic of Kazakhstan, due to a contradiction with the legislation of the state of their location, and also to apply additional control measures and procedures for managing the risks of legalization (laundering) of proceeds and financing of terrorism and reducing the risks of legalization (laundering) of proceeds, financing of terrorism and financing of the proliferation of weapons of mass destruction.

Organizations that have entered into an agency agreement for the provision of payment services with a payment agent or a payment subagent shall be obliged to include it in their programs to combat the legalization (laundering) of proceeds from crime, financing of terrorism and financing of the proliferation of weapons of mass destruction and to monitor its compliance with such programs.

3-2. The requirements for internal control rules in order to counter the legalization (laundering) of proceeds from crime, financing of terrorism and financing of the proliferation of weapons of mass destruction by types of subjects of financial monitoring shall be established:

by the authorized body for regulation, control and supervision of the financial market and financial organizations in agreement with the authorized body for financial monitoring subjects provided for in subparagraphs 1) (except for legal entities operating exclusively through exchange offices on the basis of a license from the National Bank of the Republic of Kazakhstan for exchange operations with cash foreign currency), 2) (with the exception of commodity exchanges), 3), 4), 5) and 11) of paragraph 1 of Article 3 of this Law;

by the National Bank of the Republic of Kazakhstan in agreement with the authorized body for financial monitoring subjects provided for in subparagraphs 1) (in terms of legal entities operating exclusively through exchange offices on the basis of a license from the National Bank of the Republic of Kazakhstan for exchange operations with cash foreign currency) and 12) of paragraph 1 of Article 3 of this Law;

an authorized body and an appropriate state body for financial monitoring entities provided for in subparagraphs 6), 9), 10) and 20), paragraph 1 of Article 3, of this Law, as well as commodity exchanges;

by the authorized body for the subjects of financial monitoring provided for by subparagraphs 7), 8), 13), 15), 16) and 18) of paragraph 1 of Article 3 of this Law;

The AIFC Committee on Regulation of Financial Services, in agreement with the authorized body for financial monitoring entities provided for in subparagraph 19), paragraph 1 of Article 3 of this Law.

4. Documents and data obtained based on the results of the client's due diligence, including the client's file, account information (for banks and organizations that open and

maintain accounts), and correspondence with it, shall be stored by financial monitoring entities for at least five years from the date of termination of business relations with the client.

Documents and information about transactions with money and (or) other property, including those subject to financial monitoring, and suspicious transactions, as well as the results of the study of all complex, unusually large and other unusual transactions shall be subject to storage by financial monitoring subjects for at least five years after the transaction.

The documents and information referred to in parts one and two of this paragraph shall contain information that enables the recovery of customer transactions, including amounts and types of currencies.

5. It is prohibited to inform clients and other persons about measures to counter the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction taken against such clients and other persons, with the exception of informing clients about the measures taken to freeze transactions with money and (or) other property, on the refusal to establish business relations, as well as on the refusal to conduct transactions with money and (or) other property.

6. The provision of information, data and documents by the subjects of financial monitoring to the authorized body for the purposes and in the manner prescribed by this Law shall not be a disclosure of commercial, banking, or other secrets protected by law, a violation of the conditions for collecting, processing personal data, as well as other information protected by law.

Subjects of financial monitoring specified in subparagraphs 1) - 5), 11) and 12) of paragraph 1 of Article 3 of this Law and being members of a financial group shall have the right to exchange information and documents received as part of the implementation of internal control and use them in the manner prescribed by the rules internal control, subject to the following conditions:

1) in respect to information and documents exchanged in accordance with this paragraph, the subjects of financial monitoring have fulfilled the requirements established by the internal control rules for the financial group;

2) in the absence of doubts about the reliability and accuracy of the information and documents, the exchange of which and their use shall be allowed in accordance with this paragraph;

3) in the availability of written consent of the client of the financial monitoring subject for the transfer to other participants of such a financial group and use of information and documents about the client by them.

7. In the event that information, data, and documents are provided to the authorized body in accordance with this Law, the subjects of financial monitoring, their employees, and officials, regardless of the results of notification, shall not be liable under the laws of the Republic of Kazakhstan, as well as a civil law contract.

8. The requirements for financial monitoring entities for training and educating in combating the legalization (laundering) of proceeds from crime and the financing of terrorism shall be approved by an authorized body in coordination with state bodies that, within the limits of their competence, exercise state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism.

Footnote. Article 11 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of three months after its first official publication); dated 10.06.2014 № 206-V (the order of enforcement see Article 2); from 02.08.2015 № 343-V (enters into force after ten calendar days after day of its first official publication); of 26.07.2016 № 12-VI (enters into force after thirty calendar days after day of its first official publication); of 22.12.2016 № 28-VI (enters into force after ten calendar days after day of its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 11-1. Assessment of risks of legalization (washing) of income and financing of terrorism

1. The risks of legalization (laundering) of the proceeds and financing of terrorism shall be assessed in order to determine the threats and possibilities of legalization (laundering) of the proceeds and financing of terrorism in the Republic of Kazakhstan, to identify shortcomings in the implementation of measures to counter the legalization (laundering) of the proceeds and the financing of terrorism.

2. The rules for conducting risk assessment of legalization (laundering) of the proceeds and financing of terrorism shall be approved by the authorized body.

The methodology on data collection from public authorities and subjects of financial monitoring for assessment of risks of legalization (washing) of income and financing of terrorism is approved by authorized body.

The government of the Republic of Kazakhstan following the results of evaluating risks approves the measures directed to decrease in risks of legalization (washing) in income and financing of terrorism.

3. In order to develop measures for the implementation of state policy in the field of countering the legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction, increasing their effectiveness, as well as coordinating measures aimed at reducing the risks of legalization (laundering) of

proceeds and financing of terrorism, the authorized body shall establish the Interdepartmental Council on the issues of prevention of legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction.

The Interdepartmental Council on the issues of prevention of legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction includes, by agreement, representatives of law enforcement and special state bodies of the Republic of Kazakhstan, as well as state bodies engaged in countering the legalization (laundering) of proceeds from crime in accordance with this Law, and financing of terrorism.

The regulations and composition of the Interdepartmental Council on the issues of prevention of legalization (laundering) of proceeds from crime, financing of terrorism, and financing of proliferation of weapons of mass destruction shall be approved by the authorized body.

4. The Interdepartmental Council on the issues of prevention of legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction shall have the right to send recommendations to state bodies on reducing the risks of legalization (laundering) of proceeds from crime and financing of terrorism and evaluate the results of the implementation of such recommendations.

The Interdepartmental Council on the issues of prevention of legalization (laundering) of proceeds from crime, financing of terrorism, and financing of the proliferation of weapons of mass destruction shall consider the calls of the Financial Action Task Force on Money Laundering (FATF) and make a decision on the measures to reduce the risks of legalization (laundering) of proceeds and financing of terrorism identified by the Financial Action Task Force on Money Laundering (FATF).

The authorized body shall bring the decision on measures to reduce the risks of legalization (laundering) of the proceeds and financing of terrorism identified by the Financial Action Task Force (FATF) to the subjects of financial monitoring.

5. The Interdepartmental Council on the Prevention of the Legalization (Laundering) of Proceeds from Crime, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction considers and approves the report on the assessment of risks of legalization (laundering) of income and financing of terrorism, and also determines the information from the report on the assessment of risks of legalization (laundering) of income and financing of terrorism, subject to publication.

The authorized body shall submit to the relevant state bodies a report on the risk assessment of legalization (laundering) of proceeds and financing of terrorism, and also post on its Internet resource information from the report on the risk assessment of legalization (laundering) of proceeds and financing of terrorism to be published.

6. Subjects of financial monitoring take into account published information from the report of the risk assessment of legalization (laundering) of proceeds and financing of terrorism when implementing programs included in internal control rules.

Financial monitoring entities shall be required to:

1) assess, determine, document, and update the results of the risks assessment of legalization (laundering) of proceeds and financing of terrorism, including the risk of using technological advances;

2) develop control measures, procedures for managing the risks of legalization (laundering) of proceeds and financing of terrorism and reducing the risks of legalization (laundering) of proceeds and financing of terrorism;

3) classify their clients taking into account the degree of risk of legalization (laundering) of proceeds and financing of terrorism.

Footnote. Chapter 2 is supplemented with article 11-1 according to the Law RK of 02.08.2015 № 343-V (enters into force from 01.01.2017); as amended by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 24.11.2021 № 75-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 12. Targeted financial sanctions related to the prevention of terrorism and the financing of terrorism

Footnote. Title of the Article 12 in the wording of the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

1. The authorized body shall draw up a list of organizations and a person associated with the financing of terrorism and extremism, posts it on its Internet resource and shall send it to the relevant state bodies and organizations in electronic form.

2. To compile a list of organizations and persons connected with the financing of terrorism and extremism, the following shall be sent to the authorized body:

1) by a state body carrying out, within the limits of its competence, statistical activities in the field of legal statistics and special accounts, lists of organizations and (or) individuals specified in subparagraphs 1), 2), 3) and 4) of paragraph 4 and subparagraphs 1), 2), 3), 4) and 5) of paragraph 5 of this Article;

2) The Ministry of Foreign Affairs of the Republic of Kazakhstan lists of organizations and (or) individuals specified in subparagraph 6) of paragraph 4 and subparagraph 6) of paragraph 5 of this Article;

3) The General Prosecutor's Office of the Republic of Kazakhstan lists of organizations and (or) individuals specified in subparagraph 6) of paragraph 4 and subparagraphs 5-1) and 8) of paragraph 5 of this Article.

The lists of entities and/or individuals referred to in paragraph 4 (7) and paragraph 5 (7) of this article shall be drawn up by an authorized body on the basis of information received from the United Nations Security Council.

3. The list of the organizations and faces tied with financing of terrorism and extremism is updated according to information provided in authorized body by the public authorities specified in paragraph 2 of the present article.

4. The bases for inclusion of the organization or the natural person in the list of the organizations and faces tied with financing of terrorism and extremism are:

1) the judgment of the Republic of Kazakhstan which took legal effect about liquidation of the organization in connection with implementation of terrorist activity by it and (or) extremism;

2) the judgment of the Republic of Kazakhstan which took legal effect about recognition of the organization which is carrying out terrorist activity or extremism in the territory of the Republic of Kazakhstan and (or) other state terrorist or extremist, including about establishment of change of the name by it;

3) the court verdict of the Republic of Kazakhstan which took legal effect about recognition of the natural person guilty of commission of extremist and (or) terrorist crimes;

4) the sentences (decisions) of vessels and the decision of other competent authorities of foreign states recognized in the Republic of Kazakhstan according to international treaties of the Republic of Kazakhstan and laws of the Republic of Kazakhstan concerning the organizations or the natural persons who are carrying out terrorist activity;

5) finding of the organization or the natural person in the list of the organizations and faces tied with the terrorist organizations or terrorists, made by the international organizations which are carrying out counteraction to terrorism, or bodies authorized by them according to international treaties of the Republic of Kazakhstan;

6) the lists of the organizations and natural persons involved in terrorist and extremist activity made by the Prosecutor General's Office of the Republic of Kazakhstan, on the basis of these law enforcement and special public authorities of the Republic of Kazakhstan;

7) the application of targeted financial sanctions to an organization or individual in accordance with United Nations Security Council resolutions relating to the prevention and prevention of terrorism and the financing of terrorism, or the inclusion of an organization and (or) an individual on the sanctions lists drawn up by the United Nations Security Council committees established by United Nations Security Council resolutions relating to the prevention and prevention of terrorism and the financing of terrorism.

5. The bases for an exception of the organization and the natural person from the list of the organizations and faces tied with financing of terrorism and extremism are:

1) revocation of the judgment of the Republic of Kazakhstan about liquidation of the organization in connection with implementation of terrorist activity by it and (or) extremism in case of failure to complete on it liquidating production and also about recognition of the

organization which is carrying out terrorist activity or extremism in the territory of the Republic of Kazakhstan and (or) other state terrorist or extremist;

2) revocation of the court verdict of the Republic of Kazakhstan about recognition of the natural person guilty of commission of extremist and (or) terrorist crimes;

3) revocation of the sentences (decisions) of vessels and decisions of other competent authorities of foreign states recognized in the Republic of Kazakhstan according to international treaties of the Republic of Kazakhstan and laws of the Republic of Kazakhstan concerning the organizations or the natural persons who are carrying out terrorist activity;

4) existence of documentary confirmed data on the death of the natural person included in the list of the organizations and faces tied with financing of terrorism and extremism;

5) existence of documentary confirmed data on repayment or removal of criminal record from the natural person condemned for commission of extremist and (or) terrorist crime;

5-1) the list of individuals drawn up by the Prosecutor General's Office of the Republic of Kazakhstan on the basis of a positive conclusion of law enforcement or special state bodies of the Republic of Kazakhstan on the exclusion of a person who has served a criminal sentence from the list of organizations and persons associated with the financing of terrorism and extremism.

The procedure for preparing an opinion of law enforcement or special State bodies of the Republic of Kazakhstan on the exclusion of an individual who has served a criminal sentence from the list of organizations and persons associated with the financing of terrorism and extremism is determined by a joint normative legal act of law enforcement and special State bodies of the Republic of Kazakhstan and an authorized body;

6) an exception of the organization or the natural person of the list of the organizations and faces tied with the terrorist organizations or terrorists, made by the international organizations which are carrying out counteraction to terrorism, or bodies authorized by them according to international treaties of the Republic of Kazakhstan;

7) the lifting of targeted financial sanctions imposed on an organization or individual in accordance with United Nations Security Council resolutions, relating to the prevention and prevention of terrorism and the financing of terrorism, or the exclusion of an organization or an individual from the sanctions lists, drawn up by United Nations Security Council committees established by United Nations Security Council resolutions relating to the prevention of terrorism and the financing of terrorism;

8) revocation of the circumstances which formed the bases for their inclusion in the lists of the organizations and faces involved in terrorist and extremist activity made by the Prosecutor General's Office of the Republic of Kazakhstan on the basis of these law enforcement and special public authorities of the Republic of Kazakhstan.

5-1. The authorized body immediately, but not later than one working day from the date of the decision to exclude an organization or individual from the list of organizations and persons related to the financing of terrorism and extremism, shall post such a decision on its

Internet resource and send it to the relevant state bodies of the Republic of Kazakhstan and organizations.

6. The lists formed according to subparagraph 6) of paragraph 4 of the present article have to contain the following data:

- 1) concerning the natural person:
 - data of the document proving his identity;
 - individual identification number;
 - residence;
 - data on existence of a personal and fast estate;
 - data on participation in legal entities, branches and representations and registration as the individual entrepreneur;
- 2) concerning the legal entity:
 - name;
 - business identification number;
 - data on the place of the state registration and location;
 - the information on public officials supplied about founders;
- 3) in relation to a foreign structure without forming a legal entity:
 - name;
 - number (if any) under which the foreign structure without forming a legal entity has been registered in a foreign state (on the territory);
 - address of the registration place and (or) location;
 - information about the founders (participants) of a foreign structure without forming a legal entity.

7. Organizations and individuals who shall be erroneously included in the list of organizations and persons associated with the financing of terrorism and extremism, in respect of which there is information about their involvement in terrorist and extremist activities or are subject to removal from the specified list, but are not excluded from the specified list, apply to the authorized body with a written motivated statement about their removal from the specified list.

The authorized body shall consider the application to exclude an organization or an individual from the list of organizations and persons related to the financing of terrorism and extremism within the time limits established by the laws of the Republic of Kazakhstan, and shall make one of the following motivated decisions:

- 1) exclusion of an organization or an individual from the specified list;
- 2) refusal to satisfy the application with the provision of a reasoned ground for refusal.

The decision of the authorized body may be appealed by the applicant in the manner established by the laws of the Republic of Kazakhstan.

8. An individual included in the list of organizations and persons connected with the financing of terrorism and extremism, on the grounds provided for in subparagraphs 3), 4), 5)

and 6), paragraph 4 of this Article, in order to ensure his life and family members who do not have independent sources of income, has the right to contact the subject of financial monitoring for the following transactions with money or other property:

1) received in the form of payment of labor leave or wages in an amount not exceeding the minimum wage established for the corresponding financial year by the law on the republican budget, during the calendar month for each family member;

2) received in the form of pension, expenses for official business trips, scholarships, benefits, other social payments in accordance with the legislation of the Republic of Kazakhstan, as well as pay taxes, communal and social payments, other mandatory payments to the budget, penalties and fines.

The order of payment of means to the natural person included in the list of the organizations and faces tied with financing of terrorism and extremism for ensuring the activity is defined by authorized body.

The exception of the organization and the natural person of the list of the organizations and faces tied with financing of terrorism and extremism is the basis for cancellation of application of measures for freezing of operations with the money and (or) other property belonging to the organizations and the natural persons included in the list of the organizations and faces tied with financing of terrorism and extremism.

8-1. An individual included in the list of organizations and persons associated with the financing of terrorism and extremism, on the grounds provided for in subparagraph 7) Paragraph 4 of this Article, in order to ensure its life and family members who do not have independent sources of income, has the right to apply to the authorized body with a written reasoned statement on the partial or complete cancellation of the measures applied to freeze transactions with money and (or) other property.

The designated body shall ensure that the application shall be considered by the relevant United Nations Security Council Committee.

The authorized body shall inform the financial monitoring entity immediately, but not later than one working day from the date of receipt of the decision of the United Nations Security Council Committee or an international organization engaged in counter-terrorism on the satisfaction of the application referred to in part one of this paragraph.

The authorized body shall also inform the applicant of the decision taken by the United Nations Security Council Committee or international organizations involved in countering terrorism.

9. The authorized body in case of identification of property of the person included in the list of the organizations and faces tied with financing of terrorism and extremism, including the isolated property in legal entities immediately transfers such data to the Prosecutor General's Office of the Republic of Kazakhstan for the solution of a question of seizure of such property.

10. If there is a request to the authorized body from the competent authority of a foreign State for the possible involvement of an organization or an individual in terrorist activities, if there are grounds provided for in paragraph 4 of this Article for the inclusion of such organizations or individuals in the list of organizations and persons associated with the financing of terrorism and extremism, the authorized body shall establish a list of persons involved in terrorist activities.

The authorized body places on its Internet resource a list of persons involved in terrorist activities, for financial monitoring entities to take measures to freeze transactions with money and (or) other property for up to fifteen calendar days.

The authorized body shall take measures to include individuals from the list of persons involved in terrorist activities in the list of organizations and persons associated with the financing of terrorism and extremism, in accordance with paragraph 4 of this Article.

Notes.

1. For the purposes of this Article, family members of an individual included in the list of organizations and persons associated with the financing of terrorism and extremism are recognized as: spouse (husband), joint or one of the spouse's minor children (including adopted), who are dependent or under guardianship (trusteeship); parents and parents of the spouse (wife) who are dependent.

2. For the purposes of this Article, an organization also means a foreign structure without forming a legal entity.

Footnote. Article 12 in edition of the Law RK of 02.08.2015 № 343-V (enters into force after six months after day of its first official publication); as amended by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 29.06.2020 № 351-VI (shall enter into force from 01.07.2021); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 12-1. Targeted financial sanctions related to preventing, and stopping the proliferation of weapons of mass destruction and their financing

1. The authorized body shall draw up a list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, shall post it on its Internet resource and shall send it to the relevant state bodies and organizations in electronic form.

2. The reason for including an organization or an individual in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction shall be the application of targeted financial sanctions to them in accordance with United Nations Security Council resolutions related to the prevention, obstruction and cessation of the proliferation of weapons of mass destruction and their financing.

3. The reason for removing an organization or an individual from the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction shall be the lifting of targeted financial sanctions in accordance with United Nations Security

Council resolutions related to the prevention, obstruction and cessation of the proliferation of weapons of mass destruction.

The authorized body shall immediately, but not later than one working day from the date of the decision to exclude an organization or an individual from the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, place such a decision on its Internet resource and send it to the relevant state bodies and organizations.

4. Organizations or individuals erroneously included in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, or subject to removal from the specified list, but not excluded from the specified list, apply to the authorized body with a written reasoned statement on their removal from the specified list

The authorized body shall consider an application for the exclusion of an organization or individual from the list of organizations and persons involved in financing the proliferation of weapons of mass destruction, within the time limits established by the Administrative Procedure Code of the Republic of Kazakhstan, and make one of the following reasoned decisions:

- 1) exclusion of an organization or an individual from the specified list;
- 2) refusal to satisfy the application with the provision of a reasoned ground for refusal.

The decision of the authorized body may be appealed by the applicant to the court.

5. An individual included in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, in accordance with paragraph 2 of this Article, in order to ensure his/her life and family members who do not have independent sources of income, has the right to apply to the authorized body with a written reasoned statement on the partial or complete cancellation of the applied measures to freeze transactions with money and (or) other property.

The authorized body shall ensure that the application is considered by the relevant United Nations Security Council Committee.

The authorized body shall inform the financial monitoring entity immediately and not later than one working day from the date of receipt of the decision of the United Nations Security Council Committee on the satisfaction of the application referred to in part one of this paragraph.

The authorized body shall also inform the applicant of the decision taken by the United Nations Security Council Committee.

6. If at least one of the parties to the transaction is a person, listed entities and persons associated with the financing of the proliferation of weapons of mass destruction, and operations are carried out within the framework of treaties concluded before the inclusion of

such persons in the list of organizations and persons, related to the financing of the proliferation of weapons of mass destruction, financial monitoring entities immediately report such transactions to the authorized body (with the exception of money crediting transactions).

The authorized body, having received the communication provided for in the first part of this paragraph, shall suspend the operation for up to fifteen working days within twenty-four hours from the moment of its receipt.

The financial monitoring entity shall not conduct a transaction with money and/or other property reported in accordance with part one of this paragraph until the authorized body decides to suspend the transaction.

The decision to suspend the transaction shall be communicated to the financial monitoring entity that submitted the transaction report electronically or on paper.

If the subject does not receive financial monitoring within twenty-four hours from the moment of reporting the information, the decision of the authorized body on the suspension of the transaction shall be carried out, if there are no other grounds provided by the Laws of the Republic of Kazakhstan that prevent such a transaction.

The authorized body, after making a decision to suspend the operation within three working days, shall decide to conduct the operation or shall refuse to conduct the operation and shall bring it to the subjects of financial monitoring.

After the expiration of the period of suspension of the operation by the decision of the authorized body, the operation should be carried out in the absence of other grounds provided for by the Laws of the Republic of Kazakhstan that prevent the conduct of such an operation.

The decision to conduct the operation can be made subject to the following requirements:

1) The contract shall not be related to any prohibited items, materials, equipment, goods, technology, assistance, training, financial support, investment, brokering or services specified in United Nations Security Council documents relating to the prevention and cessation of the proliferation of weapons of mass destruction and their financing;

2) payment shall not be received directly or indirectly by an organization or a person included in United Nations Security Council resolutions relating to the prevention and cessation of the proliferation of weapons of mass destruction and their financing.

The authorized body shall, upon taking a decision on the operation, immediately notify the relevant United Nations Security Council Committee of its intention to authorize the operation.

7. The authorized body shall, in accordance with the legislation of the Republic of Kazakhstan, notify the relevant Committee of the United Nations Security Council of the crossing of the State border of the Republic of Kazakhstan by individuals included in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction.

Note.

For the purposes of this Article, an organization also means a foreign structure without forming a legal entity.

Footnote. Chapter 2 as added by the Article 12-1 in accordance with the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 12-2. Measures to protect charitable organizations and religious associations from being used to finance terrorism

1. Charitable organizations, as well as religious associations that apply for voluntary donations, shall take measures according to which their activities shall not be used to finance terrorism, and shall also be obliged to:

- 1) make payments and transfers of money at the request of third parties or on their own initiative through financial monitoring entities;
- 2) provide, upon request, financial statements on transactions with money and (or) other property and information on identified risks to the authorized body;
- 3) store at least five years of information on transactions with money and (or) other property subject to compulsory state registration, as well as on founders (participants).

2. If a charitable organization, as well as religious associations, is suspected of using them for the purpose of financing terrorism, they send the relevant information to the authorized body.

Footnote. Chapter 2 as added by the Article 12-2 in accordance with the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

Article 12-3. Identification of the beneficial owner of a legal entity and a foreign structure without forming a legal entity

1. A legal entity and a foreign structure without forming a legal entity shall be obliged to take available measures to identify their beneficial owners and record the information necessary for their identification in accordance with subparagraph 2-2) of paragraph 3 of Article 5 of this Law, in the form approved by the authorized body for agreement with the Ministry of Justice of the Republic of Kazakhstan.

2. A legal entity and a foreign structure without forming a legal entity shall be obliged to:

- 1) verify the accuracy of the information necessary to identify their beneficial owners;
- 2) update information about their beneficial owners at least once a year or in case of changes, as well as document such information;

3) store for at least five years from the date of receipt of the information on their beneficial owners, as well as on the measures taken to identify their beneficial owners.

3. A legal entity and a foreign structure without forming a legal entity shall have the right to request from their founders (participants), as well as persons otherwise controlling a legal

entity or a foreign structure without forming a legal entity, the information necessary to identify their beneficial owners and update information about them.

4. An individual, a legal entity, or a foreign structure without forming a legal entity that is a founder (participant), as well as otherwise controlling a legal entity or a foreign structure without forming a legal entity, shall be obliged to provide such legal entity or foreign structure without forming a legal entity with information and documents necessary to identify their beneficial owners and update information about them.

5. Information and documents on beneficial owners shall be submitted by a legal entity and a foreign structure without forming a legal entity at the request of the authorized body in the manner and within the time limits established by the authorized body.

Non-provision, untimely provision, and also provision of false information and documents on the beneficiary owners of legal entities shall entail liability established by the laws of the Republic of Kazakhstan.

6. The submission of information, data, and documents to the authorized body by a legal entity or a foreign structure without forming a legal entity for the purposes and in the manner provided for by this Law shall not be a disclosure of official, commercial or other secrets protected by law, with the exception of banking secrecy, a violation of the collection conditions, processing of personal data, as well as other legally protected information.

Note.

For the purposes of this Article, a legal entity means an organization, with the exception of a state institution and a subject of the quasi-public sector.

Footnote. Chapter 2 is supplemented by Article 12-3 in accordance with the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced sixty calendar days after the date of its first official publication).

Article 13. Refusal from conduct and suspension of transactions with money and (or) other property

Footnote. Title of Article 13 is in the wording of the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

1. The subjects of financial monitoring shall be obliged to refuse to establish business relations with an individual, legal entity, or foreign structure without forming a legal entity if it is impossible to take the measures provided for in subparagraphs 1), 2), 2-1), 2-2) and 4) of paragraph 3 Article 5 of this Law.

The subjects of financial monitoring shall be obliged to refuse to conduct transactions with money and (or) other property to an individual, legal entity, or foreign structure without forming a legal entity and (or) terminate business relations if it is impossible to take the measures provided for in subparagraphs 1), 2), 2- 1), 2-2), 4) and 6) of paragraph 3 of Article 5 of this Law.

Subjects of financial monitoring shall have the right to refuse carrying out operations with money and (or) other property, as well as in establishment of business relations and (or) to stop business relations with the client in case of existence of suspicions that business relations shall be used by the client for legalization (laundering) of incomes received by illegal means or financing of terrorism.

1-1. Subjects of financial monitoring within twenty-four hours from the moment of posting on the Internet resource of the authorized body a list of persons involved in terrorist activities, information on the inclusion of an organization or a person in the list of organizations and persons associated with the financing of terrorism and extremism, as well as in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, are obliged to immediately (except as specified in Article 12, paragraph 8, and Article 12-1, paragraphs 5 and 6, of this Law) take the following measures to freeze money and/or other property transactions:

to suspend debit transactions on the bank accounts of such an organization or an individual, on the bank accounts of a client whose beneficial owner is such an individual (with the exception of transactions related to servicing bank accounts), an organization directly or indirectly owned or controlled by such an organization or an individual, as well as an individual or legal entity acting on behalf of or at the direction of such an organization or such individual;

to suspend the execution of instructions for payment or transfer of money without using the bank account of such organizations and individuals, instructions of the client, the beneficial owner of which is such an individual, an organization directly or indirectly owned or controlled by such an organization or individual, as well as an individual or a legal entity acting on behalf of or at the direction of such an organization or such an individual;

to block securities in the system of registers of holders of securities and the system of accounting for nominal holding on the personal accounts of such an organization or an individual, on the personal accounts of a client whose beneficial owner is such an individual, an organization directly or indirectly owned or controlled by such an organization or an individual, as well as an individual or legal entity acting on behalf of or at the direction of such an organization or such individual;

refuse to carry out operations on the implementation of insurance payment, on the return of the insurance premium or its part in case of early termination of the insurance contract and remuneration in case of early termination of the contract on the provision of brokerage services by the policyholder (with the exception of operations related to compulsory social health insurance, employee's insurance against accidents in the performance of labor (official) duties, compulsory insurance of civil liability of vehicle owners, mandatory insurance of civil liability of the carrier to passengers, mandatory insurance of the tourist);

to refuse to conduct other transactions with money and (or) other property performed by such an organization or an individual or in their favor, as well as by a client whose beneficial

owner is such an individual, or in his/her favor (except for crediting money to such a person to a bank account, making, transferring mandatory pension contributions to the unified accumulative pension fund), by an organization directly or indirectly owned or controlled by such an organization or an individual, or in its favor, as well as by an individual or a legal entity acting on behalf of or at the direction of such an organization or such an individual, or in their favor.

Measures to freeze transactions with money and (or) other property provided for in the first part of this paragraph shall not apply to the following transactions under agreements concluded with the subject of financial monitoring until the person is included in the list of organizations and persons related to the financing of terrorism and extremism:

- 1) extension of bank deposit terms;
- 2) debiting and transferring money from the bank account of a person included in the list of organizations and persons associated with the financing of terrorism and extremism, to repay obligations under bank loan, leasing or microcredit agreements.

Expense transactions on bank accounts, registration of transactions with securities in the system of registers of holders of securities and the system of accounting of nominal holding on personal accounts, as well as other transactions with money and (or) other property of organizations or individuals included in the list of organizations and persons, related to the financing of terrorism and extremism, provided for in paragraph 1 of Article 12 of this Law, may be carried out by financial monitoring entities on the basis of a court decision, collection orders of the state revenue authority, decisions of the state revenue authority on the foreclosure of limited property, and after the organization or an individual has been removed from the above list in the manner provided for in this Law.

2. Subjects of financial monitoring in order to prevent the legalization (laundering) of proceeds of crime and the financing of terrorism shall be obliged to immediately inform the authorized body of such a transaction before it is recognized as suspicious.

Reports of transactions with money and (or) other property that have not been declared suspicious before they have been carried out are submitted by financial monitoring entities to the authorized body no later than twenty-four hours after the transaction is declared suspicious.

At the same time, the difference between the time of the transaction and the time of recognition of such transaction as suspicious cannot exceed the period of time that determines the frequency of studying the customer's transaction in accordance with the internal control rules of the financial monitoring entity.

The subjects of financial monitoring shall submit to the authorized body reports on the facts of refusal to an individual, a legal entity, or a foreign structure without forming a legal entity in establishing business relations, termination of business relations with a client, refusal to conduct a transaction with money and (or) other property on the grounds provided for in paragraph 1 of this Article, as well as on the measures to freeze transactions with money and (

or) other property provided for in paragraph 1-1 of this Article, no later than the working day following the day the subject of financial monitoring makes the relevant decision (action) electronically through dedicated channels communications in Kazakh or Russian languages.

3. The authorized body, having received the communication provided for in the first part of paragraph 2 of this Article, within twenty-four hours of its receipt, decides to suspend the suspicious operation for a period of up to three working days in the event, if the suspicious transaction report submitted by the financial monitoring entity is based on the results of the analysis, carried out by an authorized body, is considered justified, except for the transaction provided for in subparagraph 1), part one, of Article 12 of this Law.

The authorized body, having received a report of a suspicious transaction provided for in subparagraph 1), part one, paragraph 8, of Article 12 of this Law, within twenty-four hours decides to conduct the transaction or refuse to conduct the transaction and brings it to the subjects of financial monitoring by electronic means.

If the last day of the decision-making period falls on a non-working day, the day of the end of the decision-making period is the nearest next working day.

The decision to suspend a suspicious transaction or that there is no need to suspend a suspicious transaction is made by the authorized body and communicated to the subject of financial monitoring and the state body that submitted a report on a suspicious transaction, electronically or on paper.

4. The subject of financial monitoring, prior of decision of the authorized agency on suspension of a suspicious transaction or on absence of necessity in suspension of suspicious transaction shall not to conduct transactions with money and (or) other property that reported in accordance with part one of Paragraph 2 of this Article.

In case of non-receipt of decision of the authorized agency on suspension of a suspicious transaction or on absence of necessity in suspension of such transaction by a subject of financial monitoring within twenty four hours from the date of informing the information, the transaction shall be conducted if there shall not be other grounds provided by the legislative acts of the Republic of Kazakhstan impeding conduct of this transaction.

5. The authorized body, after taking a decision to suspend a suspicious operation, shall immediately transmit information to law enforcement and special state bodies of the Republic of Kazakhstan in accordance with their competence to make a decision and notify the Prosecutor General of the Republic of Kazakhstan about this.

The relevant law enforcement and special state bodies of the Republic of Kazakhstan shall be obliged to take a decision within seventy-two hours from the moment of the decision of the authorized body to suspend the suspicious operation and report it to the Prosecutor General's Office of the Republic of Kazakhstan and the authorized body.

The authorized body shall bring to the subject of financial monitoring the relevant decision of law enforcement and special state bodies of the Republic of Kazakhstan within three hours from the moment of its receipt.

5-1. If a decision is received from law enforcement and special State bodies of the Republic of Kazakhstan on the need to suspend a suspicious transaction transferred in accordance with paragraph 5 of this Article, according to which there are grounds to believe that this transaction is aimed at legalization (laundering) of proceeds of crime or the financing of terrorism, the authorized body shall decide to suspend spending transactions on bank accounts or electronic money transactions of persons participating in such a transaction for up to fifteen calendar days.

The decision to suspend expenditure transactions on bank accounts or electronic money transactions of persons who are participants in the transaction for which there are grounds to believe that they are aimed at legalizing (laundering) the proceeds of crime or financing terrorism shall be made by the authorized body and brought to the subjects of financial monitoring provided for in subparagraph 1, paragraph 1) of Article 3 of this Law.

The authorized body shall inform the Prosecutor General's Office of the Republic of Kazakhstan, law enforcement and special state bodies of the Republic of Kazakhstan that have submitted this decision about the suspension of expenditure transactions on bank accounts or electronic money transactions.

5-2. After expiration of the term for suspension of a suspicious transaction under decision of the authorized body, the transaction shall be conducted in the absence of other grounds provided by legislative acts of the Republic of Kazakhstan impeding conduct of such transaction.

6. Refusal to conduct, suspension of transactions with money and (or) other property, as well as refusal to establish business relations or termination of business relations in accordance with this Law shall not be the grounds for civil-legal liability of financial monitoring entities for violation of the terms of the relevant agreements (obligations).

Stay and freezing of operations with money and (or) other property are not the bases for emergence of civil or other responsibility of public authorities for the damage, including the missed benefit which arose owing to such stay and freezings.

Footnote. Article 13 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 №. 206-V (the order of enforcement see Article 2); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); from 02.08.2015 № 343-V (enters into force after six months after day of its first official publication); of 27.02.2017 № 49-VI (enters into force from 01.01.2018); dated 24.05.2018 №. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Article 14. State control over compliance with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds of crime and the financing of terrorism

State control over compliance of financial monitoring entities with the legislation of the Republic of Kazakhstan on countering legalization (laundering) proceeds of crime and financing of terrorism in terms of recording information, storing information and documents, protecting documents, providing information on money transactions, and (or) other property subject to financial monitoring, due diligence of clients (their representatives) and beneficial owners, measures to freeze money transactions and (or) other property, suspension and refusal to carry out operations subject to financial monitoring, as well as the development and adoption of internal control rules, including the execution of the training and training program, is carried out by the relevant state bodies in accordance with their competence and in the manner established by the legislation of the Republic of Kazakhstan.

Control over compliance by the subjects of financial monitoring specified in subparagraph 19) of paragraph 1 of Article 3 of this Law with the current law of the AIFC on combating the legalization (laundering) of proceeds from crime and financing of terrorism shall be carried out by the AIFC Committee on the regulation of financial services in the manner established by the current AIFC law.

Footnote. Article 14 in the wording of the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication).

Chapter 3. COMPETENCE OF THE AUTHORIZED BODY

Article 15. Tasks of the authorized body

Tasks of the authorized body are:

1) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

2) counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism, coordination of work of the state bodies in this direction of activity;

3) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

4) carrying out of interaction and information exchange with competent bodies of foreign states in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

5) representation of interests of the Republic of Kazakhstan in international organizations on the issues of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Article 16. Functions of the authorized body

For the purpose of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism, the authorized body shall:

1) collect, process, analyze and use information and information on transactions with money and (or) other property subject to financial monitoring, in accordance with this Law;

2) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (comes into force sixty calendar days after the day of its first official publication).

3) coordinate activity of state bodies in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

4) direct necessary information on transactions with money and (or) other property upon request of the court on criminal cases subjected to financial monitoring, for solution of materials being in proceeding;

4-1) provide details and information on a transaction subjected to financial monitoring in the manner established by the legislation of the Republic of Kazakhstan upon requests of the law enforcement and special state bodies;

5) when suspending a suspicious transaction in accordance with the first part of paragraph 3 and paragraph 5 of Article 13 of this Law, transmits information to law enforcement and special state bodies of the Republic of Kazakhstan in accordance with their competence for making a decision and notifies the Prosecutor General of the Republic of Kazakhstan about this;

5-1) if there are grounds to believe that the activities of individuals, legal entities, and foreign structures without forming a legal entity are related to the legalization (laundering) of proceeds from crime and (or) financing of terrorism, as well as with the commission of another criminal offense related to the legalization (laundering) of proceeds from crime and (or) financing of terrorism, send information to law enforcement and special state bodies of the Republic of Kazakhstan in accordance with their competence and notify the Prosecutor General of the Republic of Kazakhstan about this fact.

The relevant law enforcement and special state bodies of the Republic of Kazakhstan, after taking a decision on the sent information within two working days, send information on the measures taken to the authorized body and the Prosecutor General's Office of the Republic of Kazakhstan;

5-2) carries out interaction with law enforcement and special public authorities on the transferred information according to the present Law;

6) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

7) organize formation and maintenance of republican database, as well as ensure methodological unity and coordinated functioning of informational systems in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

8) develop and conduct measures on prevention of breaches of the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

9) generalize a practice of applying the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism on the basis of information received from the state bodies and other organizations, as well as develop and make proposals on its development;

10) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

11) conduct measures on retraining and raising of qualification of a personnel in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

12) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

13) Excluded by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication);

13-1) maintain a state electronic register of notifications of financial monitoring entities provided for in subparagraphs 7) (excluding lawyers), 13), 15) and 16) of paragraph 1 of Article 3 of this Law, in accordance with the Law of the Republic of Kazakhstan "On Permits and Notifications";

13-2) receive notifications from financial monitoring entities provided for in subparagraphs 7) (excluding lawyers), 13), 15) and 16) of paragraph 1 of Article 3 of this Law, in accordance with the Law of the Republic of Kazakhstan "On Permits and Notifications";

13-3) coordinate the work on conducting risk assessment in the field of combating the legalization (laundering) of proceeds of crime and the financing of terrorism and the implementation of measures aimed at reducing the risks of legalization (laundering) of proceeds and financing of terrorism;

13-4) develop and submit to the Government of the Republic of Kazakhstan measures aimed at reducing the risks of legalization (laundering) of proceeds and financing of terrorism ;

13-5) exercise state control over compliance by financial monitoring entities specified in sub-clauses 7) (with the exception of lawyers), 13), 15), and 16) of paragraph 1 of Article 3 of this Law, as well as accounting organizations and professional accountants engaged in entrepreneurial activities in the field of accounting, legislation of the Republic of Kazakhstan on combating legalization (laundering) of proceeds from crime and financing of terrorism in the form of an unscheduled inspection, preventive control with a visit to the subject (object) of control in accordance with the Entrepreneurial Code of the Republic of Kazakhstan;

13-6) develop and approve regulatory legal acts in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism in accordance with the main goals and objectives of this Law and the legislation of the Republic of Kazakhstan;

13-7) maintain a list of public officials included in the list of public officials approved by the President of the Republic of Kazakhstan, their spouses and close relatives;

13-8) establish the form and terms for the provision by state bodies of the Republic of Kazakhstan and organizations of information on the analysis and monitoring of the activities of organizations and individuals in order to identify the risks of legalization (laundering) of proceeds from crime and financing of terrorism, generalization of practice, proposals for improving legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and financing of terrorism to the authorized body;

13-9) approve rules for making transfers of secured digital assets;

14) exercise other powers provided 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 16 as amended by the Laws of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 21.06.2012 № 19-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); from 02.08.2015 № 343-V (an order of enforcement see Art. 2); of 26.07.2016 № 12-VI (enters into force after thirty calendar days after day of its first official publication); of 22.12.2016 № 28-VI (enters into force after ten calendar days after day of its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (the order of entry into force see Article. 2); dated 24.11.2021 № 75-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon

expiry of sixty calendar days after the day of its first official publication); dated 06.04.2024 № 71-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication); dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Article 17. Rights and obligations of the authorized body

1. Authorized body shall:

1) to request necessary information, data and documents on operations with money and (or) other property from subjects of financial monitoring and also from public authorities of the Republic of Kazakhstan;

2) to pass the decision on suspension of operations with money and (or) other property in case of detection of signs of suspicious operation for a period of up to three working days;

3) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

4) on demand or independently to exchange information, data and documents with competent authority of a foreign state in the sphere of counteraction of legalization (washing) of income gained in the criminal way and to terrorism financing;

5) involve to work, as well as on a contractual basis, scientific research and other organizations, as well as separate specialists for conduct of examinations, development of educational programs, methodic materials, program and informational support, creation of informational systems in the scope of financial monitoring in compliance with requirements on protection of the state, service, commercial, banking and other secret protected by the Law ;

6) send a notification to the relevant state bodies about violation or presence of signs of violations of the legislation of the Republic of Kazakhstan on countering the legalization (laundering) of proceeds of crime and the financing of terrorism;

7) together with the state bodies of the Republic of Kazakhstan, law enforcement and special state bodies of the Republic of Kazakhstan determine the procedure for cooperation on the exchange and transfer of information, information and documents related to the legalization (laundering) of proceeds from crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction;

7-1) as excluded by the Law of the Republic of Kazakhstan dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

2. Authorized body shall:

1) take measures on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism;

2) to provide the corresponding mode of storage, protection and safety received in the course of the activity of information, data and documents, components the office, commercial , bank or protected by the law other secret;

3) ensure compliance with rights and legal interests of a human and a citizen, legal entities and the state in a process of carrying out of financial monitoring.

Footnote. Article 17 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); from 02.08.2015 № 343-V (enters into force after ten calendar days after day of its first official publication); of 22.12.2016 № 28-VI (enters into force after ten calendar days after day of its first official publication); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 05.07.2024 № 113-VIII (shall enter into force upon expiry of sixty calendar days after its first official publication).

Article 18. Interaction of the authorized body with the state bodies of the Republic of Kazakhstan

1. State bodies of the Republic of Kazakhstan carrying out control of compliance with the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism by subjects of financial monitoring within the competence shall be obliged to:

1) to provide information, the information and documents necessary for authorized body for implementation of financial monitoring and counteraction of legalization (washing) of income gained in the criminal way and to terrorism financing;

2) consider a notification of the authorized body on a breach of the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism and report on taken measures to the authorized body within the term established by the legislation of the Republic of Kazakhstan;

3) to provide the corresponding mode of storage, protection and safety received in the course of the activity of information, data and documents, components the office, commercial , bank or protected by the law other secret;

4) ensure compliance with rights and legal interests of a human and citizen, legal entities and the state in a process of carrying out of control functions;

5) take into account the information from the report of the risk assessment of legalization (laundering) of proceeds and financing of terrorism in the selection of subjects (objects) of control.

2. State bodies of the Republic of Kazakhstan shall be obliged to:

1) when independently identifying, inform the authorized body about suspicious transactions, including transactions on the export (import) of goods (works, services) with

prices clearly different from market prices, indicating the details of individuals and legal entities;

1-1) from the date of receiving information on the inclusion of an organization or an individual in the list of organizations and persons associated with the financing of the proliferation of weapons of mass destruction, and (or) in the list of organizations and persons associated with the financing of terrorism and extremism, take measures to freeze transactions with money and (or) other property in accordance with the legislation of the Republic of Kazakhstan;

1-2) carry out, within its competence, the analysis and monitoring of the activities of non-profit organizations to identify the risks of financing terrorism, summarize the practice of applying the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and financing of terrorism and make proposals for its improvement with annual submission of such information to the authorized body in the form and within the time limits established by the authorized body;

2) inform the authorized body on breaches of the rules of this Law by subjects of financial monitoring upon detection on an individual basis;

3) submit information from its own information systems and resources at the request of the authorized body in the order determined by the authorized body;

4) to provide the corresponding mode of storage, protection and safety received in the course of the activity of information, data and documents, components the office, commercial, bank or protected by the law other secret;

5) develop and approve, within its competence, methodological recommendations on countering the legalization (laundering) of proceeds from crime and financing of terrorism for the subjects of financial monitoring, taking into account the peculiarities and specifics of their activities;

6) conduct, within its competence, the analysis and monitoring of the activities of financial monitoring subjects to identify the risks of legalization (laundering) of proceeds from crime and financing of terrorism, generalize the practice of applying the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime, and financing of terrorism and make proposals for its improvement with the annual provision of such information to the authorized body in the form and within the time limits established by the authorized body.

3. Requests to the authorized body for providing data and information on a transaction subject to financial monitoring by law enforcement and special state bodies, with the exception of assets recovery authority, shall be sent with the sanction of the Prosecutor General of the Republic of Kazakhstan, his deputies, prosecutors of oblasts and equated to them prosecutors.

Law enforcement and special state bodies shall direct requests on cases and materials, registered in the manner established by the legislation of the Republic of Kazakhstan linked

with counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism.

Execution of requests of the law enforcement and special state bodies shall be carried out by the authorized body within the details and information on transactions subjected to financial monitoring being in republican database in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism, as well as within the details and information received from competent bodies of foreign states in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism.

Details and information on transactions subjected to financial monitoring shall be provided to the authorized body in the scope of foreign intelligence in the manner determined by joint regulatory legal act of the authorized body in the scope of foreign intelligence, the General Prosecutor's Office of the Republic of Kazakhstan and the authorized body.

Data and information on transactions subject to financial monitoring shall be provided to the assets recovery authority in electronic form in the manner determined by a joint regulatory legal act of the Prosecutor General's Office of the Republic of Kazakhstan and the authorized body.

The receipt by the authorized body of the information contained in the national registers of identification numbers, except for information that is publicly available, shall be carried out in accordance with the procedure provided for in subparagraph 3), paragraph 2 of this Article.

4. Provision of details and information on suspicious transaction to the authorized body in the manner provided by this Law is not a divulgence of official, commercial, banking or another secret protected by the Law.

5. Transfer of details and information on a transaction subjected to financial monitoring, as well as on suspicious transaction by the authorized body to the General Prosecutor's Office of the Republic of Kazakhstan, special state and law enforcement bodies in the manner provided by this Law is not a divulgence of official, commercial, banking or another secret protected by the Law.

5-1. Details and information on transactions subjected to financial monitoring, as well as on clients of subjects of financial monitoring in the manner not provided by this Law shall not be provided by the authorized body.

6. Collection of information on import to the Republic of Kazakhstan or to export from the Republic of Kazakhstan of the declared cultural values, cash, documentary securities to bearer, bills, checks, except for the import or export made from the territory which is a component of custom territory of the Eurasian Economic Union on the territory which is a component of custom territory of the Eurasian Economic Union is carried out by body of state

revenues of the Republic of Kazakhstan with the subsequent its obligatory granting in authorized body at the scheduled time, provided by the legislation of the Republic of Kazakhstan.

7. State bodies of the Republic of Kazakhstan and subjects of the quasi-public sector shall submit to the authorized body the information provided for in subparagraph 1) of paragraph 3 of Article 5 of this Law on a public official included in the list of public officials approved by the President of the Republic of Kazakhstan, his/her wife and close relatives within three working days from the date of election or appointment of such a public official to a position in the relevant state body of the Republic of Kazakhstan or a subject of the quasi-public sector

Footnote. Article 18 as amended by the Laws of the Republic of Kazakhstan dated 21.06.2012 № 19-V (the order of enforcement see Article 2); dated 10.06.2014 № 206-V (the order of enforcement see Article 2); dated 07.11.2014 № 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); from 02.08.2015 № 343-V (an order of enforcement see Art. 2); of 26.12.2017 № 124-VI (enters into force from 01.01.2018); dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication); dated 18.11.2021 № 73-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 24.11.2021 № 75-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced ten calendar days after the date of its first official publication).

Article 19. International cooperation in the scope of counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism

Footnote. Article 19 excluded by the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

Chapter 3-1. INTERNATIONAL COOPERATION

Footnote. The Law as added by the Chapter 3-1 in accordance with the Law of the RK dated 13.05.2020 № 325-VI (shall enter into force upon expiry of six months after the day of its first official publication).

Article 19-1. International cooperation in combating the legalization (laundering) of proceeds of crime and the financing of terrorism

1. International cooperation in combating the legalization (laundering) of proceeds of crime, and the financing of terrorism with regard to the prevention, detection, suppression and investigation of acts, as well as confiscation of said proceeds between the authorized body, other state bodies of the Republic of Kazakhstan and the relevant bodies of foreign states

shall be carried out in accordance with the Laws of the Republic of Kazakhstan, international treaties of the Republic of Kazakhstan and resolutions of the United Nations Security Council in accordance with the legislation of the Republic of Kazakhstan.

2. International cooperation between the authorized body and other state bodies of the Republic of Kazakhstan and the relevant bodies of a foreign state in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism shall be carried out on the basis of reciprocity by requesting and exchanging information.

Article 19-2. International cooperation of the authorized body with the competent authorities of foreign states

1. The international cooperation of the authorized body with the competent authority of a foreign state shall be carried out in order to identify individuals, organizations and beneficial owners involved in the legalization (laundering) of proceeds of crime, the financing of terrorism, other related crimes, transactions with money and (or) other property, as well as the search for money and (or) other property of such persons.

2. The authorized body, when analyzing information obtained in accordance with this Law in order to combat the legalization (laundering) of proceeds of crime and the financing of terrorism, shall have the right to request information, data and documents from the competent authorities of foreign states.

3. In order to fulfill the request of law enforcement and special state bodies of the Republic of Kazakhstan received in accordance with paragraph 3 of Article 18 of this Law, the authorized body shall request information, data and documents from the competent authorities of a foreign state.

The authorized body shall send a request for the search and/or suspension of transactions with money and/or other property to the competent authorities of foreign states on the basis of an appeal by law enforcement or special state bodies of the Republic of Kazakhstan.

If the competent authority of a foreign state receives a response to the request of the authorized authority for the suspension of transactions in money and/or other property, the authorized authority shall immediately notify the relevant law enforcement or special state body of the Republic of Kazakhstan and the Prosecutor General's Office of the Republic of Kazakhstan.

4. The authorized body shall have the right to use the information, data and documents received upon request solely for the purposes specified in the request.

The authorized body shall not, without the prior consent of the competent authorities of a foreign state, transmit or use information, information and documents to a third party in violation of the conditions and restrictions established by the competent authorities of the foreign state from which they were requested.

5. The transfer of information, data and documents on the legalization (laundering) of proceeds of crime and the financing of terrorism shall be carried out at the request of the competent authorities of a foreign state, provided that they are not used for purposes not

specified in the request, or transferred to third parties without the prior consent of the authorized body and other state bodies of the Republic of Kazakhstan.

The competent authority may prioritize the execution of requests by the competent authority of a foreign state.

The request of the competent authority of a foreign state shall be executed as soon as possible, but not later than thirty working days after receipt of the request.

The authorized body shall have the right to establish additional conditions and restrictions on the use of information, data and documents provided to the competent authorities of a foreign state.

6. The authorized body shall have the right to refuse the request to the competent authority of a foreign state in the following cases, if:

1) the provision of information, data and documents affects the constitutional rights and freedoms of a person and citizen, damages the interests of national security of the Republic of Kazakhstan;

2) the provision of information, data and documents shall affect the course of criminal proceedings in the Republic of Kazakhstan;

3) there is reason to believe that the competent authority of a foreign state cannot protect the information, information and documents provided.

The competent authority shall notify the refusal of the request to the competent authority of the foreign state, indicating the grounds for the refusal.

7. The authorized body shall have the right to conclude agreements with the competent authorities of foreign states on cooperation in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Article 19-3. International cooperation of state bodies of the Republic of Kazakhstan that exercise state control over compliance by financial monitoring entities with Kazakhstan's legislation on combating the legalization (laundering) of proceeds of crime and the financing of terrorism

1. International cooperation between state bodies of the Republic of Kazakhstan, which, within the limits of their competence, exercise state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds of crime and the financing of terrorism, shall be carried out in the following forms:

1) receiving and sending information, data and documents in accordance with paragraph 2 of this Article on request or independently, with the exception of information, data and documents that shall not be subject to transfer in accordance with the legislation of the Republic of Kazakhstan;

2) exchange of experience and information regarding regulation, control and supervision of the activities of financial monitoring entities in accordance with the legislation of the Republic of Kazakhstan;

3) to provide assistance, as well as participation in carrying out measures by the relevant bodies of foreign states to monitor the activities of their subjects of financial monitoring in the territory of the Republic of Kazakhstan.

2. International cooperation between state bodies of the Republic of Kazakhstan, which, within the limits of their competence, exercise State control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism, is carried out by means of an exchange of information on:

1) implementation of the requirements of the legislation of the Republic of Kazakhstan;

2) entities of financial monitoring (their activities, business reputation, management structure, beneficial owners);

3) internal control programs, policies and procedures in the field of combating the legalization (laundering) of proceeds of crime and the financing of terrorism of financial monitoring entities;

4) regulatory legal acts of the Republic of Kazakhstan;

5) the results of due diligence of clients, bank and other accounts or business relations and transactions (transactions).

3. state bodies of the Republic of Kazakhstan, which, within the limits of their competence, exercise state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of proceeds from crime and the financing of terrorism, have the right to use information, information and documents received upon request exclusively for the purposes specified in the request.

State bodies of the Republic of Kazakhstan exercising, within the limits of their competence, state control over compliance by financial monitoring entities with the legislation of the Republic of Kazakhstan on countering legalization the (laundering) of proceeds of crime and the financing of terrorism may not, without the prior consent of the competent authorities of a foreign state, transmit or use information, data and documents to a third party in violation of the conditions and restrictions imposed by the competent authorities of the foreign state from which they were requested.

Article 19-4. International cooperation between law enforcement and special state bodies of the Republic of Kazakhstan and other state bodies of the Republic of Kazakhstan in the field of combating the legalization (laundering) of proceeds from crime and the financing of terrorism, as well as the search for, seizure, confiscation and return of money and (or) other property

1. Law enforcement and special state bodies of the Republic of Kazakhstan, in order to combat the legalization (laundering) of proceeds of crime and the financing of terrorism, as well as the search for, seizure, confiscation and return of money and (or) other property obtained by criminal means, carry out international cooperation in conducting operational-search activities, pre-trial investigation, trial and execution of a judicial act, including the exchange of information with relevant bodies of foreign states.

2. International cooperation between law enforcement and special state bodies of the Republic of Kazakhstan, within its powers and within the limits provided for by the criminal procedure legislation of the Republic of Kazakhstan, with the relevant bodies of foreign states may be carried out in the following forms:

1) request and receive information, data and documents available to law enforcement and special state bodies of the Republic of Kazakhstan or available to them, if there are sufficient grounds to believe that the information is related to legalization (laundering) of proceeds and financing of terrorism, as well as for the purpose of tracing, seizure, confiscation and return of money and (or) other property obtained by criminal means;

2) assist in the search, seizure, confiscation and return of money and/or other property, the identification, suppression and investigation of the legalization (laundering) of criminal proceeds, and the financing of terrorism, as well as the identification of individuals or legal entities involved in these acts;

3) conducting investigative actions to carry out a pre-trial investigation and receive information on behalf of and at the request of the relevant body of a foreign state in accordance with the legislation of the Republic of Kazakhstan;

4) formation of investigation teams for joint international investigations, as well as interdepartmental working groups for the purpose of search, seizure, confiscation and return of money and (or) other property.

2-1. Law enforcement and special state bodies of the Republic of Kazakhstan and other state bodies of the Republic of Kazakhstan that sent the request shall ensure the confidentiality of the information, data, and documents provided and use them only for the purposes specified in the request.

3. Mutual legal assistance in the conduct of operational-search activities, pre-trial investigation, trial and execution of a judicial act, including the search for, seizure, confiscation and return of money and/or other property in criminal cases related to the legalization (laundering) of proceeds from crime and the financing of terrorism, is carried out in accordance with the criminal procedure legislation of the Republic of Kazakhstan and international treaties ratified by the Republic of Kazakhstan.

4. Confiscation of money and/or other property is carried out on the basis of a judicial act of the Republic of Kazakhstan in accordance with the procedure established by criminal procedure and criminal enforcement legislation of the Republic of Kazakhstan and international treaties ratified by the Republic of Kazakhstan.

5. Upon receipt of a request for confiscation of money and/or other property, law enforcement and special state bodies of the Republic of Kazakhstan, within the framework of their competence, shall take all possible measures to ensure the search for, seizure of:

- 1) criminal proceeds, instruments of crime;
- 2) money and (or) other property into which the proceeds of crime have been transferred or converted;
- 3) money and/or other property obtained from legitimate sources, if the income was mixed in whole or in part with such money and/or other property, in the amount of the value of mixed income;
- 4) profits or other benefits derived from proceeds, money and/or other property into which criminal proceeds are transferred or converted, or from funds or other property with which criminal proceeds are mixed, in the amount of the value of mixed proceeds in the same way and to the same extent as the proceeds themselves;
- 5) money and/or other property used or intended to finance terrorist activities.

6. Law enforcement and special state bodies of the Republic of Kazakhstan inform in advance the competent authorities of foreign states that have submitted a request about the possible cancellation of the measure to ensure the confiscation of money and (or) other property.

7. Law enforcement and special state bodies of the Republic of Kazakhstan that have received a request for execution, a judicial act on confiscation of money and (or) other property determined by paragraph 5 of this Article located in the territory of the Republic of Kazakhstan, carry out confiscation in accordance with the criminal procedure and criminal enforcement legislation of the Republic of Kazakhstan and international treaties ratified by the Republic of Kazakhstan.

8. Within three working days, law enforcement and special state bodies of the Republic of Kazakhstan shall submit a request for procedural actions in the event of receipt from the authorized body of a notification of satisfaction by the competent authority of a foreign state of a request for suspension of transactions with money and (or) other property.

9. The Prosecutor General's Office of the Republic of Kazakhstan, after receiving a request from a law enforcement, special state body of the Republic of Kazakhstan, an authorized body for confiscation of money and (or) other property located abroad, shall send a request for confiscation of money and (or) other property to the relevant authorities of a foreign state.

10. The authorized body for assets recovery shall file civil claims with foreign courts to establish the legal status or ownership of money and (or) other property withdrawn from the Republic of Kazakhstan.

11. The Prosecutor General's Office of the Republic of Kazakhstan, on the basis of a court decision that has entered into legal force, or a petition of the Ministry of Justice of the Republic of Kazakhstan to establish property rights in money for the Republic of Kazakhstan

under a judicial act of a foreign state and (or) other property acquired in the territory of a foreign state at the expense of money withdrawn from the Republic of Kazakhstan, in accordance with the established procedure, shall send a request for the return of money; (or) other property and shall determine the officials responsible for cooperation on property recovery issues.

12. The property shall be returned to the state budget of the Republic of Kazakhstan in the form of money in any currency.

13. Law enforcement and special state bodies of the Republic of Kazakhstan may deduct expenses incurred by state bodies of the Republic of Kazakhstan and private business entities during the search, seizure, confiscation and return of money and (or) other property, unless the relevant state bodies of the Republic of Kazakhstan and a foreign state agree otherwise.

14. Law enforcement and special state bodies of the Republic of Kazakhstan, the Ministry of Justice of the Republic of Kazakhstan may conclude international agreements in accordance with the legislation of the Republic of Kazakhstan and, in each particular case, agree on the division of money and (or) other property obtained as a result of confiscation or money from the sale of confiscated property.

Footnote. Article 19-4 as amended by the Law of the Republic of Kazakhstan dated 01.07.2022 № 131-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 12.07.2023 № 23-VIII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 4. FINAL PROVISIONS

Article 20. Responsibility for breach of the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism

Footnote. Title of Article 20 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

1. Breach of the legislation of the Republic of Kazakhstan on counteraction of legitimization (laundering) of incomes received by illegal means, and financing of terrorism shall entail responsibility established by the Laws of the Republic of Kazakhstan.

2. Employees of authorized body and other public authorities and also persons who owing to implementation of the official duties have access to information, data and documents, components the office, commercial, bank or protected by the law other secret bear the responsibility established by laws of the Republic of Kazakhstan for their disclosure.

3. Harm inflicted to individuals and legal entities by illegal actions of the authorized body or its employees due to performance of own functions by the authorized body shall be subject to compensation in the manner established by the legislation of the Republic of Kazakhstan.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 № 206-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); from 02.08.2015 № 343-V (enters into force after ten calendar days after day of its first official publication).

Article 21. Entering of this Law into force

This Law enters into force upon expiry of six months after its first official publication.

*The President
of the Republic of Kazakhstan*

N. Nazarbayev

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