

On state educational accumulative system

Unofficial translation

Law of the Republic of Kazakhstan dated 14 January 2013 No. 67-V.

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This Law regulates social relations in the field of functioning of state educational accumulative system, as well as the conditions, forms and content of its state incentives.

Chapter 1. GENERAL PROVISIONS

Article 1: Basic concepts used in this Law

The following basic concepts are used herein:

1) educational endowment insurance is an endowment life insurance intended to accumulate funds to pay for educational services, involving the provision of insurance benefit as a result of an insured event, including after the end of the period specified in the educational endowment insurance contract, whichever occurs first;

2) a unified register of educational endowment insurance agreements - a single database for registering educational endowment insurance agreements under which the operator accrues a award to the state;

3) an educational endowment insurance agreement (hereinafter the insurance agreement) is an endowment life insurance agreement whereby one party (the policyholder) undertakes to pay the insurance award and the other party (the participating insurer) undertakes to make an insurance payment, calculated, among other things, based on the accrued investment income, as a result of an insured event;

4) educational savings deposit - money in the depositor's account in the participating bank, including contributions from the depositor or contributors, including through payments of target savings from the unified accumulative pension fund to pay for education in accordance with the laws of the Republic of Kazakhstan, capitalized remuneration of the participating bank and a state bonus;

5) educational savings deposit agreement (hereinafter deposit agreement) - a bank deposit agreement for accumulating funds to pay for educational services entered into by the depositor with a member bank;

6) a unified register of educational savings deposit agreements - a single database of deposit agreements under which the operator accrues a government award;

7) educational services - activities of an educational organisation to ensure that the learner is provided with services intended to meet the individual's educational needs and to develop educational programmes;

8) authorized bodies in the field of education – central executive bodies of the Republic of Kazakhstan, which carry out management and intersectoral coordination in the field of preschool, secondary, technical and vocational, post-secondary education, additional education and higher and postgraduate education in the Republic of Kazakhstan;

9) educational organisation - a legal entity duly incorporated and operating in the territory of the Republic of Kazakhstan, implementing programmes of technical and vocational, post-secondary, higher and postgraduate (master's) education;

10) a contributor - a resident or non-resident of the Republic of Kazakhstan, who contributes to an educational savings deposit for the benefit of the contributor;

11) a lender - a second-tier bank of the Republic of Kazakhstan licensed to engage in banking lending operations that has entered into an agreement to provide educational loans under the guarantee of a state-authorized organisation;

12) a credit line - granting the borrower a legally enforceable obligation on the part of the lender to disburse money within an agreed limit over a period of time specified in the educational loan agreement;

13) a borrower - a depositor who has entered into an education loan agreement with the lender for the amount of educational services that is insufficient to pay for the educational services;

14) participating bank - a second-tier bank of the Republic of Kazakhstan, a National postal operator that meets the requirements established by this Law and has entered into an agreement on cooperation in the field of the State educational savings system with an operator in the field of the State educational savings system;

15) participating insurance organisation - a legal entity engaged in the conclusion and performance of insurance contracts under a relevant licence of the competent authority for the regulation, control and supervision of the financial market and financial organisations that has entered into a cooperation agreement in the field of the State Educational Savings System with the operator in the field of the State Educational Savings System;

16) state award - funds paid annually on a fixed date from the budget for the actual accrued balance of the educational savings deposit and for the estimated amount under the insurance contract;

17) State Educational Savings System - a system of monetary savings to pay for educational services, governed by the laws of the Republic of Kazakhstan and based on the attraction by member banks of deposits from the population, by member insurance organisations of insurance awards (contributions) and accrual of remuneration, investment income and state awards on them respectively;

18) operator in the field of the State educational accumulative system (hereinafter – the operator) – an organization determined by a joint decision of the authorized bodies in the field

of education, coordinating the activities of participants in the State educational accumulative system and ensuring its functioning within the limits provided for by the legislation of the Republic of Kazakhstan;

19) a cooperation agreement in the field of the State Educational Savings System (hereinafter referred to as a Cooperation Agreement) - an agreement between the operator and a participating bank, the operator and a participating insurance organisation or the operator and an educational organisation, setting out the terms and procedure of their cooperation in the implementation of the State Educational Savings System;

20) beneficiary - a person who is the beneficiary of the insurance benefit under an insurance contract;

21) calculated amount under the insurance contract - the amount accepted for calculating the state award, based on the insurance reserve formed under the insurance contract, considering the award (contributions) under the insurance contract, investment income, accrued awards of the state from previous periods and calculated in the manner determined by the competent authority for the regulation, control and supervision of the financial market and financial institutions;

22) insurance payout under an insurance contract (hereinafter the insurance payout) - the amount of funds envisaged by the insurance contract, including but not limited to the insurance award (awards), investment income, state awards, and paid by the participating insurance company to pay the educational services of the person in whose favour the insurance contract is concluded (the beneficiary), as a result of an insured event or upon the occurrence of a term specified in the insurance contract;

23) a policyholder is a person who is a parent, guardian or lawful representative of a beneficiary and who has concluded an insurance contract with an insurance undertaking (the policyholder is the insured person hereunder);

24) a depositor - a national of the Republic of Kazakhstan, who is a party to the savings agreement;

25) redemption amount is the sum of money that the policyholder is entitled to receive upon premature termination of the insurance contract, fixed pursuant to the procedure specified by the authority responsible for regulating, monitoring and supervising the financial market and financial institutions.

Footnote. Article 1 - as reworded by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall be enacted upon expiration of sixty calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 No. 40-VIII (shall be enforced from 01.01.2024).

Article 2. The legislation of the Republic of Kazakhstan on state educational accumulative system

1. The legislation of the Republic of Kazakhstan on state educational accumulative system shall be based on the Constitution of the Republic of Kazakhstan and shall consist 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 different rules than those contained in this Law, the rules of an indicated treaty shall be applied.

Article 3. Basic principles of state regulation in the field of state educational accumulative system

Basic principles of state regulation in the field of state education storage system shall be:

- 1) legality;
- 2) transparency;
- 3) the intended purpose of an educational savings deposit and educational savings insurance;
- 4) voluntary adherence of nationals, participating banks and participating insurers to the State Educational Savings System;
- 5) state encouragement of population to participation in state educational accumulative system.

Footnote. Article 3 as amended by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall take effect upon expiration of sixty calendar days after the date of its first official publication).

Article 4. Competence of authorized bodies in the field of education

Authorized bodies in the field of education:

- 1) annually develop long-term forecasts of the average cost of education by types of educational organizations;
- 2) approve the form of a standard cooperation agreement with an educational organization

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 5: Legal foundation for the operation of the State Educational Savings System

1. The State Educational Savings System shall apply to education under the programmes of technical and vocational, post-secondary, higher and postgraduate (master's) education in the Republic of Kazakhstan, excluding the cases envisaged by paragraph 7 of Article 11 and paragraph 11 of Article 11-1 hereof.

2. Participants of the State educational accumulative system are the depositor, beneficiary, participating bank, insurance organization - participant, depositor, policyholder, operator, educational organization, authorized bodies in the field of education.

Footnote. Article 5 - as reworded by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall come into force upon expiration of sixty calendar days after its first official

publication); as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223–VII (shall be enforced ten calendar days after the day of its first official publication).

Article 6. Functions of the operator

The operator shall:

1) enter into a cooperation agreement with a participating bank, a participating insurance company;

2) conclude a cooperation agreement with the organization of education;

3) require from the participating bank, participating insurance organisation, educational organisation, depositor, policyholder and beneficiary the required details concerning the conclusion, validity of the deposit agreement, insurance contract, accrual of state award, cost and payment of educational services, status of the learner;

4) register and maintain records of deposit agreements and insurance contracts entered into;

4-1) check whether the depositor or the beneficiary has, accordingly, a deposit agreement or an insurance contract registered with the operator, as well as an insurance contract or a deposit agreement whereby the beneficiary and the depositor are one and the same person;

5) eliminate the depositary contract from the unified register of contracts on educational storage bonuses and stop charging bonuses of the state on it after receiving from a bank-participant of confirming documents on transfer of the depositor in a foreign organization of education and the transfer of the accumulated funds of the investor the international organization of education;

5-1) delete the insurance contract from the Unified Register of Educational Endowment Insurance Contracts and terminate the payment of state awards thereunder upon receipt of supporting documents from the participating insurer confirming the enrolment of the beneficiary in the foreign educational organisation and the payment of insurance benefits under the insurance contract of the foreign educational organisation;

6) twice a year publish in the media data on the fulfilment by the participating bank, the participating insurance organisation of the requirements for participation in the State Educational Savings System imposed hereby;

7) estimate the amount of the state award to be credited to the educational savings deposit or insurance contract and present it to the participating bank or the participating insurance company, as appropriate;

8) monitor the adherence of the participating bank and the participating insurance company to the deadlines for crediting amounts of state awards to education savings deposits and insurance contracts;

9) recalculate the accrual of the state award in the instances envisaged in Articles 14 and 14-1 hereof;

10) issue a certificate stating the amount of the state award to be refunded to the budget to the depositor, participating bank, policyholder, beneficiary, participating insurance company or educational institution;

11) guarantee the integrity and timeliness of the refund of the state award to the budget by the participating bank, participating insurer or entity;

12) adopt measures to hold a depositor, policyholder, member bank, member insurance organisation, educational organisation liable in the event of a breach of the requirements imposed on them hereunder and (or) a cooperation agreement, under the procedure prescribed by the laws of the Republic of Kazakhstan;

13) break the agreement on cooperation with a bank-participant unilaterally in case of failure to comply with the requirements by a bank-participant provided by paragraph 2 of Article 15 of this Law, as well as require translation money of depositor to other bank - participant at the choice of the depositor;

13-1) unilaterally terminate the cooperation agreement with the participating insurer if the participating insurer fails to comply with the requirements laid down in paragraph 2 of Article 18-1 hereof, and demand the transfer of the redemption amount and the amount of the award credited by the state under the insurance contract to another participating insurer of the policyholder's choice;

14) notify the participating bank or insurer of the need to dissolve the deposit agreement with the depositor or the insurance agreement with the insured if it is discovered that the depositor or the beneficiary has lost his/her citizenship of the Republic of Kazakhstan.

Footnote. Article 6 as amended by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall be put into effect sixty calendar days after the date of its first official publication).

Chapter 2: A deposit agreement and an insurance contract

Footnote. The title of chapter 2 - as reworded by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall become effective upon expiration of sixty calendar days after the date of its first official publication).

Article 7. Depositary contract

1. The deposit agreement is concluded in a simple written form between the participating bank and the depositor on the basis of a standard agreement approved by the authorized bodies in the field of education.

2. Depositary contract shall be concluded for a period of not less than three years.

3. Upon expiration of depositary contract:

1) shall be prolonged automatically for the term of the contract, unless one of the parties expresses the intention to terminate it;

2) shall be extended for another term by agreement of the parties;

3) may be concluded with any other bank-participant at the choice of a depositor with the transfer of the rest money.

Footnote. Article 7 as amended by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 8. Conditions of depositary contract

1. Depositary contract shall contain the following information:

- 1) subject of a contract;
 - 2) the size of the initial one-time charge;
 - 3) the period of validity of the contract;
 - 4) the size and payment procedure of award of bank-participant;
 - 5) the amount of the state reward, provided for by this Law;
 - 6) the rights and obligations of the parties;
 - 7) written consent of a depositor on the disclosure of bank secrets to operator;
 - 8) responsibilities of the parties;
 - 9) conditions for termination of the contract;
 - 10) other provisions in accordance with the legislative acts of the Republic of Kazakhstan.
2. Educational storage deposit shall be opened in tenge.

3. Initial minimal one-time fee for opening an educational storage deposit shall be a three-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget.

4. Bank- participant at the conclusion of the depositary contract shall calculate the recommended frequency of payment and the amount of additional contributions on education storage contributions.

5. On the account of a depositor, contributions from third parties in accordance with the banking legislation of the Republic of Kazakhstan may be made.

Article 9. Registration of depositary contract

1. Depositary contracts shall be subject to registration in the unified register of contracts on educational storage deposit for record of educational storage deposits on that are calculated state awards in accordance with Article 12 of this Law.

2. The operator shall register the submitted contracts of deposit by entering the information in the unified register of contracts on education storage contribution and assignment of registration number by a bank-participant.

3. Deposit agreements submitted by a participating bank complying with the requirements hereof shall be subject to registration. The deposit agreement shall not be subject to registration if the depositor has a deposit agreement registered with the operator or an insurance agreement registered with the operator, whereby the depositor is the beneficiary.

Footnote. Article 9 as amended by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall be enacted upon expiration of sixty calendar days after the date of its first official publication).

Article 10. Reward of bank-participant

1. Bank- participant shall pay the depositor award on the amount of deposit with monthly capitalization in the amount determined by the depositary contract.

2. Reward of bank-participant shall be calculated within depositary contract duration and shall join to the basic amount of educational storage deposit (shall be capitalized).

Article 11. Disposal of educational storage deposit

1. In the framework of the state storage system, the depositor or in the procedure and cases provided by the civil legislation of the Republic of Kazakhstan, his legal representative shall be entitled to transfer of money educational storage deposit from one bank- participant to other bank-participant in full amount no more than once per year.

2. In case of award to the depositor of educational grant, the depositor either in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative shall be entitled to:

- 1) continue accumulation of funds on educational storage deposit;
- 2) transfer funds of educational storage contribution to educational storage contribution, opened (being opened) in favor of a third person that is a citizen of the Republic of Kazakhstan;
- 3) direct the funds of educational storage contribution on payment of educational services in order to obtain other levels of education;
- 4) get the funds of educational storage deposit with the capitalized reward of bank-participant and accrued state reward.

In this case, the funds of the educational savings deposit, formed through payments of target savings from the unified pension savings fund for the purpose of paying for education in accordance with the laws of the Republic of Kazakhstan (if any), the depositor shall have the right to:

1) transfer to his(her) own bank account opened in second-tier banks with the National postal operator, which opens and maintains bank accounts for crediting payments of targeted savings from the unified accumulative pension fund in order to improve housing conditions and (or) pay for education, for further transfer in US dollars at the exchange rate at the time of transfer to the depositor's target savings account opened in the unified pension savings fund in accordance with the Law of the Republic of Kazakhstan "On the Rights of the Child in the Republic of Kazakhstan";

2) transfer in national currency to his(her) own bank account opened in second-tier banks, with the National postal operator, which opens and maintains bank accounts for crediting

payments of targeted savings from the unified accumulative pension fund in order to improve housing conditions and (or) pay for education, in accordance with the Law of the Republic of Kazakhstan “On the Rights of the Child in the Republic of Kazakhstan”;

3) pay for educational services in order to obtain other levels of education;

4) continue accumulating funds on the educational savings deposit.

3. At entering the educational institution on a contractual basis of educational services on request of the depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative shall be paid by the shares (for each academic period or academic year) or in full amount at a time (for the whole period of studies).

4. In case of death, recognition by the court as legally incapable, missing or declare dead or inability of the depositor to continue education due to health educational storage deposit shall be:

1) directed by the depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative or his heirs for educational storage deposit, opened (being opened) in favor of any third party (renewal);

2) paid to depositor or in the procedure and cases provided for by the civil legislation of the Republic of Kazakhstan, his legal representative or his heirs according to the terms of the depositary contract termination with retention of the state reward.

5. Upon remainder of funds on educational storage contribution after payment of educational services for the entire training period, the depositor or his legal representative shall be entitled to withdraw this amount together with accrued state reward in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan.

6. The depositor or his legal representative shall be entitled to transfer the amount of the accumulated funds with accrued state award on contribution of a third person that is a citizen of the Republic of Kazakhstan, registered in the unified register of contracts on educational storage contributions in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan.

7. In case of receipt of a depositor in foreign educational institution, the depositor or his legal representative shall be entitled to make payment for education from the accumulated funds of the depositor including accrued awards of the state and reward of the bank-participant upon presentation of documents confirming crediting of depositor in foreign educational organization in accordance with the procedure provided for and cases provided for by the civil legislation of the Republic of Kazakhstan. Thus henceforth from the moment of transfer of funds in a foreign educational institution, a bonus award shall be terminated.

8. The establishment of a temporary restriction on disposal of property, restrictions on transactions and other operations with property, seizure or foreclosure on money held in bank accounts under a depositary contract shall not be allowed.

Footnote. Article 11 as amended by the Law of the Republic of Kazakhstan dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.11.2023 No. 40-VIII (shall be enforced from 01.01.2024).

Article 11-1. Insurance contract and disposal of the insurance contract

1. The insurance contract is concluded in writing between the insurance company – participant and the policyholder in accordance with the requirements of this Law and on the basis of a standard agreement, approved by the authorized bodies in the field of education in coordination with the authorized body for regulation, control and supervision of the financial market and financial organizations.

2. The insurance contract shall be concluded for at least three years.

3. The insurance contract must contain the following information:

1) the subject matter of the insurance contract;

2) details of the policyholder;

3) details of the beneficiary under the insurance contract;

4) indication of the insured event;

5) the amount of the sum insured;

6) the amount of the insurance award (awards), the procedure and terms for paying the award(s);

7) the terms and conditions of payment and the amount of the deductible;

8) the term of validity of the insurance contract;

9) period of validity of the insurance cover;

10) the amount of the state award established hereby;

11) the rights and obligations of the parties;

12) the written consent of the policyholder, beneficiary (legal representative) to disclose the insurance secret to the operator;

13) the liability of the Parties;

14) the cases and procedure for amending the terms and conditions of the insurance contract;

15) terms and conditions of termination of the insurance contract;

16) other provisions under the laws of the Republic of Kazakhstan.

4. The insurance contracts shall be registered in the unified register of education endowment insurance contracts to keep track of the insurance contracts for which the award is charged by the state pursuant to Article 14-1 hereof.

5. The operator shall register the insurance contracts provided by the participating insurance undertaking through entering data into the unified register of education endowment insurance contracts and assigning a registration number. The insurance contract shall not be registered when there is an insurance contract registered with the operator for the benefit of the beneficiary or a deposit contract registered with the operator whereby the depositor and the beneficiary are one and the same person.

6. The sum insured shall be fixed in the insurance contract by agreement between the parties.

7. Tenge shall be the currency of the insurance contract.

8. The insurance premium under the insurance contract shall be paid in a lump sum or in installments in the form of insurance premiums in the amount, procedure, and terms established by the insurance contract, or through payments of target savings of the beneficiary from the unified accumulative pension fund to pay for education in accordance with the laws of the Republic of Kazakhstan.

9. The insured events shall comprise:

1) the insured's survival until the date fixed in the insurance contract;

2) the insured's first or second group disability during the period of insurance cover;

3) death of the insured person during the period of insurance cover, excluding cases provided for in the insurance contract.

10. If the beneficiary enrolls in an educational organisation on a contractual basis, the insurance benefit shall be payable to the educational organisation, unless the beneficiary enrolls in a foreign educational organisation.

11. To pay the insurance benefit when the beneficiary enrolls in a foreign educational institution on a contractual basis, the participating insurance undertaking shall open an escrow account in the name of the beneficiary, with the restriction of the right of that person to make withdrawal transactions from the bank account exclusively for the purpose of paying educational services to the foreign educational institution and transfer the insurance benefit amount to that account.

As soon as the participating insurance company transfers the insurance benefit to the escrow account, the state award shall cease to accrue.

12. In the case of enrolment in an educational organisation on a contractual basis, insurance payment, upon application of the insurant or beneficiary or his/her lawful agent in the manner and cases stipulated by the civil legislation of the Republic of Kazakhstan, shall be made by transferring money to the educational organisation in periodic payments (in each academic period or academic year) or in full in a lump sum (for the whole period of study).

13. If the beneficiary is awarded an educational grant, the policyholder, in the case of the death of the policyholder, the beneficiary or his/her lawful representative, in the manner and cases specified in the civil legislation of the Republic of Kazakhstan, shall be entitled to:

1) receive the insurance benefit under the insurance contract, subject to the investment income and accrued award of the state;

2) prolong the validity of the insurance contract and use the insurance benefit to pay for educational services for other levels of education;

3) transfer the redemption amount under the insurance contract, including investment income and state award, to the payment of the insurance contract concluded (to be concluded) in favour of a third party who is a national of the Republic of Kazakhstan.

In the cases provided for in subparagraphs 1) and 3) of part one of this paragraph, the amount of payments of target savings from the unified accumulative pension fund for the purpose of paying for education in accordance with the laws of the Republic of Kazakhstan (if any), the beneficiary shall have the right to:

1) transfer to his(her) own bank account opened in second-tier banks with the National postal operator, which opens and maintains bank accounts for crediting payments of targeted savings from the unified accumulative pension fund in order to improve housing conditions and (or) pay for education, for further transfer in US dollars at the exchange rate at the time of transfer to the depositor's target savings account opened in the unified pension savings fund in accordance with the Law of the Republic of Kazakhstan "On the Rights of the Child in the Republic of Kazakhstan";

2) transfer in national currency to his(her) own bank account opened in second-tier banks, with the National postal operator, which opens and maintains bank accounts for crediting payments of targeted savings from the unified accumulative pension fund in order to improve housing conditions and (or) pay for education, in accordance with the Law of the Republic of Kazakhstan "On the Rights of the Child in the Republic of Kazakhstan".

14. If the amount of the insurance benefit exceeds the amount of the payment for the entire period of education upon expiry of the insurance contract, the insurance benefit in the amount of the excess shall be payable to the policyholder, beneficiary or his/her legal representative under the procedure and in the cases prescribed by the civil legislation of the Republic of Kazakhstan.

15. If the beneficiary dies, is adjudged by a court to be incapable, missing or declared dead, or if the beneficiary is unable to continue studying due to a health condition, the policyholder, in the event of the death of the policyholder, his or her heirs, shall be entitled to:

1) replace the beneficiary named in the insurance contract with another person who is a national of the Republic of Kazakhstan;

2) obtain a redemption amount under the insurance contract, including the investment income and retaining the award of the state.

16. Under the State Educational Savings System, the policyholder shall have the right to transfer the redemption amount including investment income and accrued state award under the insurance contract from one participating insurance company to another participating insurance company, but not earlier than two years from the date of conclusion of the insurance contract.

17. The calculation and procedure for making insurance payments shall be established by a legal act of the authority responsible for the regulation, control and supervision of the financial market and financial organisations.

Footnote. Chapter 2 as supplemented by Article 11-1 under Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall take effect upon expiration of sixty calendar days after the date of its first official publication); as amended by the Law of the Republic of

Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).; dated 16.11.2023 No. 40-VIII (shall be enforced from 01.01.2024).

Chapter 3. Crediting, payment and repayment of the state award

Article 12. State award

1. The state award shall be charged for a registered depositary contract for a term, not exceeding twenty years.

2. Charge state reward shall be carried out annually on actually accumulated balance amount of contribution as of 1 January, with a minimum savings of one year. The state award shall be charged on the contractual time.

3. The state award shall be attached to the basic amount of contribution (capitalized).

4. Bonus state reward shall be terminated:

- 1) in case of expiration of the term of accruals provided for by paragraph 1 of this article;
- 2) in case of expiration of depositary contract;
- 3) from the date of death, the entry into legal force of a court decision on recognition of the depositor as incapable, missing or declare to be dead.

5. The state bonus is calculated in accordance with the methodology for calculating the state bonus approved by the authorized bodies in the field of education.

Footnote. Article 12 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 13. The amount of state reward

1. The state award shall be charged at the rate of five percent per annum on the amount of educational storage deposit, but not more than a hundred-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget.

2. The state award shall be charged at the rate of seven percent per annum, but not more than a hundred-fold size of the monthly settlement indicator established for corresponding fiscal year by the law on republican budget on educational storage deposits, opened in favor of depositors, related to priority categories:

- 1) children-orphans and children left without parental care, including those of legal age, but not longer than until reaching twenty-three old age;
- 2) persons with disabilities;
- 3) children from large families with four or more minor children living together, including children studying full-time in general education or vocational programs in organizations of general secondary, technical and vocational, post-secondary, higher and postgraduate (master's) education, after they reach adulthood until the time of graduation, but not more than until the age of twenty-three;
- 4) children from families with per capita incomes below the food basket.

3. The right for getting state reward in the amount of seven percent per annum depositors specified in Subparagraph 1) of Paragraph 2 of this Article shall be confirmed by the operator annually by obtaining the necessary information from the authorized agency for protection of children's rights as of 1 January of the year following the year of accrual.

The right for getting state reward in the amount of seven percent per annum depositors specified in Subparagraph 2) of Paragraph 2 of this Article shall be confirmed by the operator annually by obtaining the necessary information from the authorized agency for social protection of population as of 1 January of the year following the year of accrual

The right for getting state reward in the amount of seven percent per annum depositors provided for in subparagraphs 3) and 4) of paragraph 2 of this article, shall be confirmed by the operator on a quarterly basis by obtaining the necessary information from the authorized body in the field of social protection of population as of the 1st day of the quarter following the confirmed quarter.

The state award in the amount of seven percent per annum shall be accrued in the corresponding year for the months during that has been confirmed the assignment of the investor to priority category.

4. The authorized bodies in the field of education and the authorized body for state planning annually make recommendations to increase the state bonus in an amount not lower than the inflation rate in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

Footnote. Article 13, as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 129-VII of 27.06.2022 (shall be brought into force ten calendar days after the date of its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 20.04.2023 No. 226-VII (shall be enforced from 01.07.2023).

Article 14. Repayment of the state award to the budget

1. Accrued state award shall be returned to the budget in cases:

1) termination at the instigation of depositor of depositary contract or termination of obligations under depositary contract in connection with the expiration of the period without the observance of the purposes;

2) the expiry of three calendar years from the expulsion of the depositor from the educational institution, if the depositor has not been reinstated in the expelled educational institution or has not enrolled in another educational institution within these three years;

3) detection of the fact of payment of the state award in the period of accumulation is less than the term provided by this Law;

4) the loss by the depositor of citizenship of the Republic of Kazakhstan;

5) discovery of fact for excessively accrued state award.

2. Repayment of the state award to the budget shall be carried out by bank-participant through the operator's help on his certificate-statement on the amount of the award of the state, subject to repayment to the budget, within three banking days from the date of receipt by the bank-participant certificates-extracts from the operator:

1) on the grounds provided for by subparagraphs 1), 2) and 3) of paragraph 1 of this Article, the amount of accrued state awards in full amount;

2) on the basis provided for by subparagraph 4) of paragraph 1 of this Article, in the amount not used in educational services in accordance with the methodology of calculation of the state award approved by the Government of the Republic of Kazakhstan;

3) on the basis provided by Subparagraph 5) of Paragraph 1 of this Article, the amount of excessively accrued state award..

3. Upon expulsion of a depositor of the educational organization the amount not used for educational services, shall be transferred by the organization of education on educational storage deposit of the depositor within three working days from the day of issuing the order for expulsion.

Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication); No. 138-VII of 12.07.2022 (shall be put into force sixty calendar days after the date of its first official publication).

Article 14-1. Accrual, payment and refund of State Award under the insurance contract

1. The state award shall accrue on a registered insurance contract for a period not exceeding twenty years.

2. The state award under the insurance contract shall be accrued annually on the estimated amount under the insurance contract as of January 1. The state award shall be accrued over the period of effect of the insurance contract.

3. The state award under the insurance contract shall be added to the estimated amount under the insurance contract and shall be calculated pursuant to the methodology for calculating the state award approved by the Government of the Republic of Kazakhstan.

4. The award of the state under the insurance contract shall be calculated in the amount stipulated in Article 13 hereof for the deposit agreement.

5. The state's award charge under the insurance contract shall cease to accrue:

1) in case of the expiry of the accrual period specified in paragraph 1 hereof;

2) in the event of expiry of the insurance contract;

3) from the date of death, entry into force of a court ruling declaring the beneficiary legally incompetent, missing or deceased.

6. The accrued state award shall be refunded to the budget in cases of:

1) dissolution of the insurance contract at the initiative of the policyholder, excluding when the contract is dissolved due to the transfer of the redemption amount including investment income and accrued award from the state to another participating insurance

company, or termination of obligations under the insurance contract due to expiry of the term without compliance with the intended purpose;

2) expiry of three calendar years from the date of expulsion of the beneficiary from the educational organisation, if the beneficiary has not been reinstated in the expelled educational organisation or has not enrolled in another educational organisation within these three years;

3) loss of citizenship of the Republic of Kazakhstan by the beneficiary;

4) the discovery of an overpayment of a state award.

7. The state premium shall be refunded to the budget by the participating insurance undertaking via the operator based on its statement of the amount of the state premium to be refunded to the budget, within five working days of receiving the statement from the operator:

1) on the grounds set out in sub-paragraphs 1) and 2) of paragraph 6 of this Article, in full ;

2) on the grounds set out in sub-paragraph 3) of paragraph 6 of this Article, in respect of the amount not used for educational services, pursuant to the methodology for calculating the state award as approved by the Government of the Republic of Kazakhstan;

3) on the ground referred to in sub-paragraph 4) of paragraph 6 of this Article, in respect of the amount of the state award that has been overcharged.

Footnote. Chapter 3 as supplemented by Article 14-1 as per Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall enter into force sixty calendar days after the date of its first official publication).

Chapter 4. Interaction of participants of educational accumulative system

Article 15. Cooperation agreement

1. In order to participate in the State educational accumulative system, the participating bank enters into a cooperation agreement with the operator on the basis of a standard cooperation agreement approved by the authorized bodies in the field of education.

2. The following requirements shall be presented to banks-participants:

1) availability of licenses of the authorized body for regulation, control and supervision of the financial market and financial organizations on acceptance of deposits, opening and maintaining bank accounts of individuals, conducting cash transactions;

2) participation in the system of obligatory insurance of deposits;

3) Is excluded by the Law of the Republic of Kazakhstan dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

4) absence of effective supervisory response measures, applied by the authorized body for regulation, control and supervision of the financial market and financial organizations, and (or) administrative penalties for administrative offences provided for by parts six, eight of Article 213, Article 227 of the Code of the Republic of Kazakhstan on Administrative Offences, at the time of conclusion (renegotiation) of the cooperation agreement.

The requirements of subparagraph 1) on the availability of a license to conduct cash transactions and subparagraph 2) of part one of this paragraph shall not apply to the National postal operator.

3. The operator shall conclude a cooperation agreement with the organization of education, payment of educational services that are financed at the expense of funds of educational storage deposit, on the basis of the approved model agreements on cooperation.

4. The cooperation agreement shall contain the subject, the rights and obligations of the parties, terms, procedure of their interaction and responsibility.

Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 29.09. № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication), dated 02.07.2018 № 168-VI (shall be enforced from 01.01.2019); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication); dated 16.11.2023 No. 40-VIII (shall be enforced from 01.01.2024).

Article 16. Interaction of participants of state educational accumulative system upon conclusion and validity of depositary contract

1. Upon conclusion of the depositary contract, a bank-participant shall verify the compliance of the depositor with the requirements provided for by this Law, as well as the absence of the applicable depositary contract, opened in the name of the depositor.

2. For each depositary contract, a bank-participant shall submit to the operator information on the depositor, the status of the account, cash-flow of the depositor, the calculation and the amount of the state award, as well as other necessary information in established in the cooperation agreement terms and the procedure.

3. The operator shall request, and authorized body of documentation and issuance of passports and identification documents shall present information about the confirmation of depositors to citizenship of the Republic of Kazakhstan by 1 January annually.

Article 17. Interaction of participants of state storage system upon calculation and accrual of state awards

1. The operator annually, by April 1 of the current year, on the basis of information provided by participating banks under deposit agreements, submits to the authorized bodies in the field of education forecast calculations of accrual of state bonuses for the upcoming financial year.

2. Following the results of the reporting year, the operator, after receiving the necessary information from the authorized bodies in the field of social protection of the population, protection of children's rights and documentation and issuance of passports and identity cards before January 15 of the year following the reporting year, submits to the authorized bodies in the field of education the final calculation of state bonuses.

3. The authorized bodies in the field of education, after receiving from the operator the final calculation of the amount of state bonuses by February 15 of the year following the reporting year, transfer the total amount of state bonuses to the operator's account in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

4. Within five working days from the date of receipt from the authorized bodies in the field of education of the total amount of the state's bonuses, the operator transfers the state's bonuses to the participating bank with the submission of information on the amount of the state's bonus for each concluded deposit agreement.

5. A bank-participant shall enlist state awards on accounts of depositors within two working days from the day of receiving from the operator of total amount of state awards.

6. At the end of the financial year, in the event of revealing facts that necessitate additional accrual of the state award for previous reporting years, the operator shall include additional accrued amounts in the final calculation of the state awards for the reporting year in the manner prescribed by Paragraph 2 of this Article.

Footnote. Article 17 as amended by the Law of the Republic of Kazakhstan dated 05.07.2017 № 88-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Article 18. Interaction of participants of state educational accumulative system upon payment of educational services

1. Payment of educational services by means of educational storage deposit shall be carried out on request of the depositor.

Upon presenting copies of the contract for providing educational services to banks-participants shall transfer funds to educational storage deposit into the bank account of the organization of education within one working day.

2. Upon admission, transfer, registration of the academic leave, returning from academic leave, restoration, expelled from education institutions, including in connection with the issue, the depositor shall present to the bank participant and the operator copies of supporting documents not later than three working days.

3. The organization of education shall:

1) notify the bank-participant and the operator on admission, transfer, registration of the academic leave, returning from academic leave, restoration, expelled from education institutions, including in connection with the issue, the depositor by sending copies of the respective documents not later than three working days from the day of their adoption;

2) issue a certificate of tuition fees for the required academic period or the total cost at the date of issuing the certificate at the request of a depositor or a bank-participant;

3) submit the necessary information on the depositor, student in educational institutions upon request of the operator;

4) notify the operator within three working days upon transfer of the depositor in another educational institution at the expense of the host organization of education of the rest of made payment for educational services,.

The rest of effected payment for educational services shall be the difference between the amount received by the organization of education for the training of the depositor and the amount actually received for educational services at the date of issuance of the order of dismissal.

Article 18-1. Interaction of participants in the state educational savings system under the insurance contract

1. In order to participate in the State educational accumulative system, the participating insurance organization enters into a cooperation agreement with the operator on the basis of a standard cooperation agreement approved by the authorized bodies in the field of education.

2. Participating insurance organisations shall be subject to the following requirements:

1) a licence from the authority responsible for regulating, monitoring and supervising the financial market and financial institutions to offer life insurance under the State Education Savings System;

2) participation in the insurance benefits guarantee scheme.

3. Upon entering into the insurance contract, the participating insurance undertaking shall verify that the beneficiary meets the requirements laid down herein and that there is no valid insurance contract concluded in favour of the beneficiary and a deposit contract whereby the beneficiary and the depositor are one and the same person.

4. Under each insurance contract, within the period and according to the procedure stipulated in the cooperation agreement, the participating insurance undertaking shall submit to the operator details of the beneficiary, the amount of the settlement amount under the insurance contract, the redemption amount calculated with the investment income, the accrual and the amount of the award of the state.

5. The operator shall request, and the responsible authority for documentation and issuance of passports and identity documents shall submit annually by 1 January, details of confirmation of the beneficiaries' citizenship of the Republic of Kazakhstan.

6. Based on the data submitted by the participating insurance undertakings under the insurance contracts, the operator shall calculate, assess and additionally charge state award in the way and within the time limits stipulated in paragraphs 2, 3, 4 and 6 of Article 17 hereof.

7. The participating insurance undertaking shall charge state awards on insurance contracts entered into for the benefit of beneficiaries within five working days of receiving the total amount of state awards from the operator.

8. Payment for educational services by means of an insurance contract shall be made on the application of the policyholder or beneficiary. Upon submission of a copy of the

education services contract, the participating insurance undertaking shall transfer the insurance benefit to the bank account of the educational organisation within five working days.

9. Upon enrolment, transfer, academic leave, return from academic leave, reinstatement, expulsion from an educational institution, including due to graduation, the beneficiary or policyholder shall submit copies of supporting documents to the participating insurer and the operator no later than within three working days.

10. Educational organisation shall:

1) notify the participating insurance provider and the operator of enrolment, transfer, academic leave, return from academic leave, reinstatement, expulsion from the educational organisation, including due to graduation, of the beneficiary by sending copies of the relevant documents within three working days of their acceptance at the latest;

2) at the request of the policyholder, beneficiary or participating insurer, provide a statement of tuition fees for the demanded academic period or the full cost of tuition as at the date the statement is issued;

3) at the operator's request, submit the necessary data on the beneficiary who is studying in an educational organisation;

4) when the beneficiary is transferred to another educational organisation, transfer to the account of the receiving educational organisation the balance of the payment made for educational services and notify the operator, the participating insurance organisation within three working days.

11. The balance of the tuition fee paid shall be the difference between the amount received by the educational organisation for the tuition of the beneficiary and the amount of tuition actually received on the date of the expulsion order.

12. When a beneficiary is expelled from an educational organisation, the amount not used for educational services shall be transferred by the educational organisation to the bank account of the participating insurance organisation within five working days from the date of the expulsion order.

Footnote. Chapter 4 as supplemented by Article 18-1 under Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall become effective upon expiration of sixty calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 No. 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Chapter 5. Final provisions

Article 19. State support of state educational accumulative system

1. Educational storage deposit shall be subject of obligatory insurance of deposits of individuals in accordance with the legislation of the Republic of Kazakhstan.

1-1. Life insurance under the state educational savings system pursuant to the laws of the Republic of Kazakhstan shall relate to guaranteed types of insurance.

2. The depositor shall be entitled to apply to get educational loans on concessional terms in the framework of state accumulative system of. Educational loan shall be granted to the borrower under hundred percent guarantee of an authorized by state organization in the amount of the accumulated amount not less than fifty percent of the amount, necessary for payment for training in full amount, by opening a lender line of credit for the remaining amount, with the possibility of adjusting for the amount of the increase in the cost of education in educational institutions.

Footnote. Article 19 as amended by Law of the Republic of Kazakhstan No. 138-VII of 12.07.2022 (shall come into force upon expiration of sixty calendar days after its first official publication).

Article 20. The order of the entry into force of this Law

This Law enters into force upon expiry of ten calendar days after its first official publication.

*The President
of the Republic of Kazakhstan*

N. NAZARBAYEV