



On Retirement Insurance in the Republic of Kazakhstan

Invalidated Unofficial translation

The Law of the Republic of Kazakhstan dated 21 June, 2013 № 105-V. It became invalid by the Code of the Republic of Kazakhstan № 224-VII dated April 20, 2023.

Unofficial translation

Footnote. It became invalid by the Code of the Republic of Kazakhstan No. 224-VII dated 20.04.2023 (effective from 01.07.2023).

Footnote. Throughout the text, the words "the affiliated," "by the affiliated," "of the affiliated," "affiliated" as replaced accordingly by the words "the affiliated," "by the affiliated," "of the affiliated," "affiliated" in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

This Law determines the legal and social grounds of retirement insurance of citizens in the Republic of Kazakhstan, regulates participation of the state bodies,, individuals and legal entities in realization of the constitutional right of citizens on retirement insurance.

Chapter 1. GENERAL PROVISIONS

Article 1. The basic concepts, used in this Law

The following basic concepts shall be used in this Law:

1) State corporation "Government for citizens" (hereinafter – State corporation) – a legal entity, created by the decision of the Government of the Republic of Kazakhstan for rendering public service, services on issuance of technical conditions for connection to networks of natural monopolies and services of quasi-public sector entities in accordance with the legislation of the Republic of Kazakhstan, organization of work on reception of applications for rendering state services on issuance of technical conditions for connection to networks of natural monopolies, services of quasi-public sector entities and issuance of their results to the service-recipient on the principle of "one window", as well as ensuring the provision of state services in electronic form, carrying out state registration of rights to immovable property at the place of its location;

1-1) diversification - placement of pension assets in various financial instruments in order to reduce the risk of their losses in accordance with the requirements established by the National Bank of the Republic of Kazakhstan;

2) print publication - periodical print publication, the list of which is determined by the authorized body;

2-1) lump-sum pension payment - the amount of pension savings formed at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions, withdrawn by the contributor (recipient) from the unified pension savings fund in order to improve housing conditions and (or) pay for medical treatment , in accordance with this Law;

3) a unified pension savings fund - a legal entity carrying out activities to attract pension contributions and pension payments, also other functions defined by this Law;

3-1) organization for the formation and maintenance of a database - a non-profit organization created in the organizational and legal form of a joint-stock company, one hundred percent of the voting shares of which belong to the National Bank of the Republic of Kazakhstan, carrying out activities to form and maintain a unified insurance database in accordance with the Law of the Republic of Kazakhstan "On insurance activities";

4) minimum pension – minimum amount of pension, established on the relevant financial year by the Law on the republican budget;

5) voluntary pension savings fund - professional participants of the securities market, carrying out an activity on the basis of a license of the authorized body on portfolio management with right of involvement of voluntary pension contributions;

6) voluntary pension contributions - money contributed by contributors on their own initiative to the unified pension savings fund and (or) voluntary pension savings fund in favor of the recipient of pension payments in accordance with the legislation of the Republic of Kazakhstan and by the agreement on pension provision at the expense of voluntary pension contributions, and (or) the unclaimed amount of guarantee compensation on a guaranteed deposit, transferred by an organization that provides mandatory guaranteeing of deposits, to the unified pension savings fund in accordance with the Law of the Republic of Kazakhstan On mandatory guarantee of deposits placed with second-tier banks of the Republic of Kazakhstan;

7) an agreement on retirement provision at the expense of voluntary pension contributions - an agreement on the establishment, amendment or termination of legal relations associated with voluntary pension contributions, savings and receipt of pension payments, the terms of which are accepted by the contributor (recipient) solely by joining the proposed agreement as a whole;

8) the rate of voluntary pension contributions - the amount of payment to the unified pension savings fund , which is determined by an individual independently and can be changed at his discretion, and (or) a voluntary pension savings fund, determined by an agreement on pension provision at the expense of voluntary pension contributions;

9) contributor of voluntary pension contributions - an individual or legal entity making voluntary pension contributions at the expense of the unclaimed guarantee compensation amount on a guaranteed deposit in accordance with an agreement on pension provision at the expense of voluntary pension contributions;

10) an individual retirement account – individual account of contributor (recipient of pension payments), on which the compulsory pension contributions or compulsory professional pension contributions, or voluntary pension contributions, investment income, fine and other receipts are considered in accordance with the legislation of the Republic of Kazakhstan and from which the pension payments are disbursed;

10-1) a person engaged in private practice – a private notary, a private bailiff, a lawyer, a professional mediator;

11) pension savings fund – a legal entity, carrying out an activity on attraction of pension contributions and pension payments, validity of a license of which is terminated in accordance with paragraph 4 of Article 73 of this Law;

Article 1 is provided to supplement with subparagraphs 11-1) and 11-2) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

12) pension – a set of state basic pension payment and (or) pension payments by age and (or) pension payments for long service and (or) from a unified accumulative pension fund, and (or) voluntary accumulative pension fund;

13) retirement assets – money, securities, other financial instruments, intended for insurance and effecting of pension payments, transmissions, as well as other purposes, provided by this Law;

14) agreement of pension annuity - insurance agreement, according to which one party (insured) shall undertake to transfer the amount of pension contribution (redemption amount) to the insurance organization, and the other party (insurance organization) shall undertake to make insurance payments in favor of the insured and (or) the insured (insured) for life or for a certain period of time;

15) pension savings – money of contributor (recipient of pension payments), considered in its individual pension account, including the compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions, investment income, fine and other receipts in accordance with the agreements, this Law, the legislation of the Republic of Kazakhstan;

15-1) minimum sufficiency threshold of pension savings - the minimum amount of pension savings formed at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions, necessary to ensure a monthly pension not lower than the minimum pension established by the law on the republican budget

and effective as of 1 January of the corresponding financial year, determined in accordance with the methodology approved by the Government of the Republic of Kazakhstan;

16) pension payments:

by age - payment of money to individuals, having at least six months' work experience as of January 1, 1998, realized in proportion to their length of service;

for long service - payment of money to military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms were abolished from January 1, 2012, and to persons whose medical positions were reduced in bodies of internal affairs of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who at the time of reduction of the post had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, subject to their continuation work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, in accordance with this Law;

The fourth paragraph of subparagraph 16) is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

This edition of paragraph four of subparagraph 16) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article 2) for the procedure of enforcement.

from a unified accumulative pension fund and (or) voluntary accumulative pension fund - payments of pension savings to recipients of pension payments;

from voluntary accumulative pension fund - payment of money to individuals for whom voluntary pension contributions have been paid;

17) the recipient of pension payments (hereinafter – the recipient) – an individual who is assigned the state basic pension payment and (or) pension payments by age, and (or) pension payments for years of service, and (or) pension payments from the unified accumulative pension fund and (or) voluntary accumulative pension fund;

18) investment thesis – a document, determining the list of the investment objects, purposes strategies, conditions and restrictions of investment activity in relation of retirement assets, conditions of hedging and diversification of retirement assets;

19) investment portfolio – a set of financial instruments, including into composition of retirement assets;

19-1) investment portfolio manager - a professional participant in the securities market, carrying out the investment portfolio management activities, on his own behalf and in the interests and at the expense of the client, on the basis of a license in accordance with the laws of the Republic of Kazakhstan "On the securities market" and

"On permits and notifications", and also meeting the requirements of the authorized body for managing pension assets;

20) excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020);

21) investment income – money, received (receivable) in the results of investment of retirement assets;

22) custodian bank - the National Bank of the Republic of Kazakhstan or a second-tier bank that has a license from the authorized body for custodial activities;

23) custodian agreement – an agreement of keeping and commission, concluded by the custodian bank and its client, determining procedure of provision of services to the client on custodial service;

23-1) State Social Insurance Fund - a legal entity that accumulates social contributions, assignment and implementation of social payments to participants in the compulsory social insurance system, in respect of whom a case of social risk has occurred, including family members - dependents in case of loss of a breadwinner;

24) state basic pension payment – a monthly monetary payment, provided upon reaching the retirement age, established by paragraph 1 of Article 11 of this Law;

25) compulsory pension contributions – money, contributed to the unified pension savings fund in accordance with this Law according to the procedure, established by the legislation of the Republic of Kazakhstan;

Note!

Sub-paragraph 26) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

26) arrears on compulsory pension contributions, compulsory professional pension contributions – calculated, deducted (charged) and not transferred compulsory pension contributions, compulsory pension contributions to a unified accumulative pension fund, within the terms, established by this Law, as well as unpaid penalties;

27) an agreement on pension insurance at the expense of compulsory pension contributions, compulsory professional pension contributions – an affiliation agreement, conditions of which are adopted by the contributor (recipient) not otherwise than by accession to the proposed agreement in whole;

Note!

Sub-paragraph 28) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Note!

This edition of subparagraph 28) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article. 2 for the procedure of enforcement).

28) an agent on payment of compulsory pension contributions, compulsory professional pension contributions (hereinafter - an agent) – an individual or legal entity, including a foreign legal entity, carrying out an activity in the Republic of Kazakhstan through permanent institution, branches, representative offices of foreign legal entities, calculating, deducting (charging) and transferring compulsory pension contributions, compulsory professional pension contributions to a unified accumulative pension fund in the manner, determined by the legislation of the Republic of Kazakhstan.

Tax agents determined in accordance with Article 776-1 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code) shall be considered as an agent for calculating (calculating) and transferring a unified payment for employees.

The insurance organization shall be considered as an agent;

Tax agents, determined by the tax legislation of the Republic of Kazakhstan (hereinafter-tax agents) shall be considered as an agent for the payment of compulsory pension contributions for individuals receiving income under the contracts of civil-legal nature, the subject of which is the performance of works (rendering of services);

29) the rate of compulsory pension contributions - an amount of payment to a unified accumulative pension fund, expressed as a percentagewise to the income of the depositor, taken for calculation of compulsory pension contributions, and (or) to insurance payments, carried out as compensation for the damage, associated with the loss of earnings (income);

30) a contributor of compulsory pension contributions – an individual, having an individual pension account in a unified pension savings fund;

31) compulsory professional pension contributions – money, transferred by the agents at the expense of their own funds to a unified accumulative pension fund in favor of employees, engaged in work with hazardous working conditions, the occupations of which are stipulated in the list of industries, jobs, occupations of workers;

32) the rate of compulsory professional pension contributions - the amount of the agent's payment to a unified accumulative pension fund, expressed as a percentagewise to the employee's income, accepted for the calculation of compulsory professional pension contributions;

33) is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016);

34) the central executive body - a state body, carrying out management, and also within the limits ,provided by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of social protection of population;

35) prudential regulation – established economical requirements by the regulatory legal act of the authorized body for ensuring of financial stability of voluntary pension savings funds;

36) insurance organization – legal entity, carrying out an activity on conclusion and implementation of insurance agreement in a branch of “life insurance” on the basis of relevant license of the authorized body;

37) redemption amount - the amount of money that, upon early termination of the agreement of pension annuity, the insured shall have the right to use for the transfer under the newly concluded agreement of pension annuity or to receive from the insurance organization if he is a foreigner or stateless person who has left for permanent residence outside the Republic of Kazakhstan, who submitted to the insurance organization documents determined by the legislation of the Republic of Kazakhstan confirming the fact of departure;

37-1) authorized operator - a legal entity (legal entities) determined by the Government of the Republic of Kazakhstan, opening and maintaining special accounts for lump-sum pension payments from the unified pension savings fund in order to improve housing conditions and (or) pay medical treatment for which the unified pension savings fund transfers lump-sum pension payments from the pension savings formed of mandatory pension contributions and (or) mandatory occupational pension contributions;

38) an authorized body – the state body, carrying out the state regulation, control and supervision of financial market and financial organizations;

39) bodies, assigning the state basic pension payment and pension payments by age , - authorized state bodies;

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

41) affiliated persons – individuals and legal entities (except of the state bodies, carrying out the control and supervisory functions within the frame of granted to them powers, and national holding administration), having the opportunity to directly and (or) indirectly determine decisions and (or) influence on decisions, adopted with each other (one of the person), as well as by virtue of concluded transaction. Existence of national holding administration in the composition of shareholders of voluntary pension savings fund shall not be the ground for determination of persons, affiliated in relation to each other.

Article 1 is provided to supplement with subparagraphs 42) and 43) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

Footnote. Article 1 as amended by the Law of the Republic of Kazakhstan dated

10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 17.03.2015 No. 293-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 25.12.2017 No. 122-VI (shall be enforced 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 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020) ; dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (enforcement, Article 2); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 2. The right of citizens to the retirement insurance

1. Citizens of the Republic of Kazakhstan shall have a right to the retirement insurance according to the procedure, established by the legislation of the Republic of Kazakhstan.

2. Foreigners and persons without citizenship, permanently residing in the territory of the Republic of Kazakhstan, shall be used a right to the retirement insurance equally with the citizens of the Republic of Kazakhstan, unless otherwise provided by the Laws and international treaties.

Article 3. The legislation of the Republic of Kazakhstan on retirement insurance

1. The legislation of the Republic of Kazakhstan on retirement insurance shall be based on the Constitution of the Republic of Kazakhstan and consist of this Law, other regulatory legal acts of the Republic of Kazakhstan.

1-1. For a unified accumulative pension fund, voluntary accumulative pension funds and other legal entities operating within the framework of a special regulatory regime introduced in accordance with the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations", the norms of this Law and regulatory legal acts of the authorized body, the National Bank of the Republic of Kazakhstan, adopted in accordance with this Law, are distributed within the limits provided for by the conditions of the special regulatory regime.

1-2. The provisions of the legislation of the Republic of Kazakhstan on pension provision applied to insurance organizations apply to branches of non-resident insurance organizations of the Republic of Kazakhstan engaged in the conclusion and

execution of insurance agreement in the "life insurance" industry on the basis of an appropriate license of an authorized body on the territory of the Republic of Kazakhstan.

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

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (effective from 16.12.2020); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 4. State guarantees on pension ensuring

1. The state shall guarantee pension ensuring to the citizens, who retired before January 1, 1998, with preserving an established amount of pension payments up to April 1, 1999.

2. State basic pension payment shall be provided to the individuals:

1) pension payments by age, to whom are assigned before July 1, 2018, and pension payments for years of service, to whom are assigned before January 1, 2016;

2) those who have reached retirement age in accordance with paragraph 1 of Article 11 of this Law, with the exception of judges of the Constitutional Court of the Republic of Kazakhstan, whose powers have been terminated due to the expiration of the term of office established by the Constitution of the Republic of Kazakhstan, receiving monthly lifetime maintenance, retired judges receiving monthly lifetime maintenance, military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special titles, class ranks and wear uniforms have been abolished from January 1, 2012, and persons whose medical positions have been reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, having at the time of reduction of the post a length of service of at least twelve years and six months of continuous military service, services in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penal (penitentiary) system that receive long-service pension payments.

The state basic pension payment shall be provided by:

from January 1, 2023 - in the presence of ten or less years of experience in the pension system or its absence in the amount of 60 percent of the subsistence minimum with an increase in its size for each full year of experience in the pension system

beyond ten years by 2 percent, but not more than 100 percent of the subsistence minimum established for the corresponding fiscal year by the Law on the republican budget;

from January 1, 2024 - in the presence of ten or less years of experience in the pension system or its absence in the amount of 65 percent of the subsistence minimum with an increase in its size for each full year of experience in the pension system beyond ten years by 2 percent, but not more than 105 percent of the subsistence minimum established for the corresponding fiscal year by the Law on the republican budget;

from January 1, 2025 - in the presence of ten or less years of experience in the pension system or its absence in the amount of 70 percent of the subsistence minimum with an increase in its size for each full year of experience in the pension system beyond ten years by 2 percent, but no more than 110 percent of the subsistence minimum established for the corresponding fiscal year by the law on the republican budget;

from January 1, 2026 - if there are ten or less years of experience in participating in the pension system or its absence in the amount of 70 percent of the subsistence minimum with an increase in its size for each full year of experience in the pension system beyond ten years by 2 percent, but not more than 118 percent of the subsistence minimum established for the corresponding fiscal year by the Law on the republican budget;

from January 1, 2027 - if there are ten or less years of experience in participating in the pension system or its absence in the amount of 70 percent of the subsistence minimum with an increase in its size for each full year of experience in the pension system beyond ten years by 2 percent, but no more than 120 percent of the subsistence minimum established for the corresponding fiscal year by the Law on the republican budget.

The amount of the assigned state basic pension payment shall be recalculated annually in accordance with the second part of this paragraph.

In the service of participation in the pension system upon provision of the state basic pension payments shall be added:

1) work experience, developed for the period till January 1, 1998 calculated in accordance with Article 13 of this Law;

Subparagraph 2) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This version of subparagraph 2) is valid from 01.07.2018 till 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V.

2) the period for which compulsory pension contributions were made;

2-1) during labor, business activity, private practice by type of activity, on which, by the resolution of the Government of the Republic of Kazakhstan, an adjustment factor of 0 was applied to the rates of mandatory pension contributions, mandatory occupational pension contributions;

2-2) periods of implementation activities, the income of which shall be excluded from the income of an individual subject to taxation, in accordance with subparagraph 51) of paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code);

3) the period of care of a non-working mother or a non-working father (in carrying out of actual care by him) for young children, but not more than reaching the age of 3 years by 7 each of a child, within 12 years in total;

4) the time of care for a child with a disability under the age of 18;

5) periods of military service, service in special state and law enforcement bodies, state courier service;

6) period of residence abroad of the husband (wife) of the employees of diplomatic services of the Republic of Kazakhstan and international organizations, but not more than 10 years in total;

7) period of residence of spouses of military servicemen (except for compulsory duty military servicemen), employees of special state bodies with spouses in areas where there was no possibility of their employment on the specialty, but not more than 10 years in total;

8) periods of labor activity after January 1, 1998 in the Russian organizations of the Baikonur complex;

8-1) periods of receiving social benefits in case of income loss due to restrictions on activities for the period of the state of emergency, restrictive measures;

9) the time of care for a person with a disability of the first group, a unified person with a disability of the second group and a pensioner by age in need of outside assistance, as well as for the elderly who have reached the age of eighty;

10) the periods of labour activity of the persons specified in subparagraph 2) of paragraph 2 of Article 24 of this Law. From the 1st of January 2005, these periods shall be calculated, subject to making social contributions to the State social insurance fund.

The state basic pension payment shall be provided at the expense of budgetary funds.

The state basic pension payment shall be provided irrespective of receipt of pension payments by age and (or) from the unified accumulative pension fund, and (or) voluntary accumulative pension fund, and also the state social benefit on disability.

2-1. The state basic pension payment shall be suspended for the period of residence of the recipient, being on full state security, in medical and social institutions (

organizations) in conditions of a hospital, with the exception of persons, who do not have the right to pension payments by age and state social disability benefit.

In case of leaving of the recipient from medical and social institutions (organizations), the state basic pension payment shall be resumed in full from the first day of the month following the month of leaving.

3. The size of minimum pension shall be the minimum social standard in the sphere of social security in accordance with the Law of the Republic of Kazakhstan "On Minimum Social Standards and their Guarantees".

4. The annual increase in the amount of pension payments by age and pension payments for years of service shall be carried out in the amount, established for the corresponding financial year by the Law on the republican budget.

5. The state shall guarantee pension ensuring to the citizens, having the right to pension payments for the years of service and who have registered this right before 1 January 1998 in the bodies, assigning and (or) carrying out pension payments for the years of service. In this case, pension payments for years of service shall be made from the date of dismissal from service in compliance with the terms of paragraphs 1 and 4 of this Article.

Footnote. Article 4 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the laws of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 03.12.2015 No. 433-V (see Article 2 for the procedure of enforcement 2); dated 06.04.2016 No. 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022); dated 27.06.2022 № 129-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 04.07.2022 № 134-VII (shall enter into force from 01.04.2020); dated 05.11.2022 № 157-VII (shall enter into force from 01.01.2023); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 5. Safe-conduct of pension savings

1. The state shall guarantee to the recipients the safety of compulsory pension contributions, compulsory professional pension contributions in a unified accumulative pension fund in the amount of actually paid compulsory pension contributions, compulsory professional pension contributions, taking into account the inflation rate at the time the persons reach the age, established in paragraph 1 of Article 11 and subparagraphs 1) and 2) of paragraph 1 of Article 32, as well as in the cases, established by subparagraphs 3) and 4) of paragraph 1 of Article 31, subparagraphs 3)

and 4) of paragraph 1 of Article 32 of this Law to, in the manner, determined by this Law and other normative legal acts of the Republic of Kazakhstan.

For persons specified in paragraph 1-1 of Article 31 and paragraph 1-1 of Article 32 of this Law, as well as those who transferred pension savings to trust management of the investment portfolio manager in accordance with subparagraph 1) of paragraph 5 of Article 35-1 of this Law, the state shall guarantee the safety of mandatory pension contributions, mandatory occupational pension contributions in the unified pension savings fund in the amount of actually made mandatory pension contributions, mandatory occupational pension contributions, indexed to the inflation rate, made from the pension savings withdrawal date in order to improve housing conditions and (or) pay for medical treatment, or from the date of pension savings transfer to trust management of the investment portfolio manager until reaching the age established by paragraph 1 of Article 11 of this Law.

The state shall guarantee the safety of compulsory pension contributions in a unified accumulative pension fund in the amount of actually paid compulsory contributions taking into account the inflation rate for the period from the moment of signing the annuity pension agreement with the insurance organization until reaching the age, established in paragraph 1 of Article 11 of this Law to the persons, specified in subparagraph 2) of paragraph 1 of Article 31 of this Law.

2. The safety guarantee of pension assets shall also be provided by:

Subparagraph 1) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 1) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Art. 2 for the procedure of enforcement).

1) accumulation of pension savings due to compulsory pension contributions and compulsory professional pension contributions in a unified accumulative pension fund;

1-1) establishing the conditions and procedure for managing the investment portfolio at the pension assets expense;

1-2) establishing requirements for investment portfolio managers to compensate at the expense of own capital the negative difference between the nominal yield of pension assets received by the investment portfolio manager and the minimum value of the profitability of pension assets, calculated in accordance with this Law and the regulatory legal act of the authorized body;

2) implementation of investment management of pension assets of the unified pension savings fund by the National Bank of the Republic of Kazakhstan, with the exception of pension assets transferred to trust management by the investment portfolio manager;

3) regulation of activity of the unified pension savings fund by establishment of relevant requirements in relation of attraction the pension contributions and making the pension payments;

4) regulation of activity of voluntary pension savings funds by establishment of relevant regulations and limits, as well as requirements, provided by the legislation of the Republic of Kazakhstan;

5) establishment of requirements to the incorporators, shareholders and leading employees of voluntary pension savings funds, as well as to the amount and composition of its charter capital;

6) establishment of requirements to the administrative servants of unified pension savings fund;

7) establishing of the requirement for keeping pension assets of the unified pension savings fund in a custodian bank;

8) establishment of requirement on keeping the financial instruments and money, including in a composition of retirement assets, exclusively in the custodies, not affiliated with the voluntary pension savings funds, by the voluntary pension savings funds;

9) separate record-keeping of own funds and retirement assets of unified pension savings fund and voluntary pension savings fund, as well as establishment of control of their objective placement;

10) establishment of requirements on diversification and reduction of risks upon placement of retirement assets;

11) establishment of amount of commission remuneration, receiving by the unified pension savings fund, voluntary pension savings fund;

12) obligations of annual performance of an audit of unified pension savings fund, voluntary pension savings fund;

13) regular reporting of unified pension savings fund, voluntary pension savings fund before the relevant state bodies in the manner established by the legislation of the Republic of Kazakhstan;

14) delivery of information to the contributor (recipient) on condition of its pension savings;

15) offering of opportunity to the contributor (recipient) to transfer their pension savings, formed at the expense of voluntary pension contributions from the unified pension savings fund to the voluntary pension savings fund or from the voluntary pension savings fund to the unified pension savings fund or from one voluntary pension savings fund to another voluntary pension savings fund;

16) voluntary insurance of pension savings in full or partially volume at the choice of contributor (recipient);

17) carrying out of the record and assessment of retirement assets according to the procedure, established by the authorized body.

Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 02.01.2021 No. 399-VI (effective from 01.01.2021).

Article 6. The competence of the Government of the Republic of Kazakhstan in the scope of retirement insurance

The Government of the Republic of Kazakhstan in the scope of retirement insurance:

1) develop the basic directions of the state policy in the scope of retirement insurance and organize its implementation;

1-1) approve the list of financial instruments allowed for acquisition at the expense of pension assets of the single pension savings fund held in trust management by the National Bank of the Republic of Kazakhstan;

2) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication);

3) determine the procedure and terms for calculating, deducting (charging) and transferring compulsory pension contributions, compulsory professional pension contributions to a unified accumulative pension fund and penalties on them;

Article 6 is provided to supplement by subparagraph 3-1) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

4) approve the rules for the withdrawal and transfer to the budget of the amounts of compulsory pension contributions additionally established for judges of the Constitutional Court of the Republic of Kazakhstan, judges, in the event of the release of a judge of the Constitutional Court of the Republic of Kazakhstan, judges from office for negative reasons;

Article 6 is provided to supplement by subparagraph 4-1) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

5) approve the rules for making pension payments, lump-sum pension payments in order to improve housing conditions and (or) pay for medical treatment, formed at the expense of mandatory pension contributions, mandatory occupational pension contributions from the unified pension savings fund , returning them to the unified pension savings fund , the methodology for making calculation of the pension

payments amount, the methodology for determining the replacement rate of the average monthly income of the recipient with pension payments, the methodology for determining the threshold for the minimum sufficiency of pension savings;

5-1) approve the rules for the return of 50 percent of the amount of compulsory pension contributions, transferred at the expense of budgetary funds before January 1, 2016 in favor of military servicemen (except for military servicemen of conscription service), employees of special state and law enforcement agencies, state courier service, and also persons, whose rights to have special ranks, class ranks and to wear uniforms have been abolished since January 1, 2012;

6) approve the list of productions, works, occupations of employees, engaged in jobs with hazardous working conditions, for the benefit of whom, the compulsory professional pension contributions are made by the agents for the payment of compulsory professional pension contributions at the expense of their own funds;

6-1) approve the rules of carrying out of compulsory professional pension contributions;

6-2) is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication);

6-3) approve the rules of implementation of state guarantees to recipients of pension payments for the safety of compulsory pension contributions, compulsory professional pension contributions in a unified accumulative pension fund in the amount of actually paid compulsory contributions, compulsory professional pension contributions, taking into account the rate of inflation;

7) adopt a decision on creation, reorganization or liquidation of a unified pension savings fund according to the procedure, provided by the Laws of the Republic of Kazakhstan;

8) exercise other functions, imposed on it by the Constitution of the Republic of Kazakhstan, this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 05.11.2022 № 157-VII (shall enter into force from 01.01.2023);

Article 7. The competence of the central executive

The central executive body shall:

1) develop a list of productions, jobs, occupations of employees, engaged in jobs with hazardous working conditions, for the benefit of whom, the compulsory professional pension contributions are made by the agents for the payment of compulsory professional pension contributions at the expense of their own funds;

2) is excluded by the Law of the Republic of Kazakhstan dated 06.04.2016 No. 483 -V (shall be enforced upon expiry of ten calendar days after its first official publication);

3) develop a list of works in organizations, carrying out forensic medical examination and pathologic and anatomical diagnostics, for preferential calculation of the length of service for assigning of pension payments by age in one and a half amount;

4) develop a list of seasonal branches of industry, the work in which during the full season is included in the length of service for the purpose of pension payments by age for the year of work;

Subparagraph 5) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

5) develop and approve the rules of database creation of the contributors (recipients) on the compulsory pension contributions, compulsory professional pension contributions and a unified list of individuals, concluded an agreement on retirement insurance at the expense of compulsory pension contributions, compulsory professional pension contributions;

6) develop the procedure and terms for calculating, deducting (charging) and transferring compulsory pension contributions, compulsory professional pension contributions to a unified accumulative pension fund and penalties on them;

6-1) determine the procedure for maintaining a personified record of compulsory pension contributions, compulsory professional pension contributions and (or) penalties;

6-2) develop and approve the rules for access to information systems and databases in the field of pension and social security;

6-3) conduct an audit of the activity of the State Corporation within the limits of its competence;

6-4) develop and approve the rules for the provision of statistical and other reporting information by the State Corporation;

6-5) develop and approve the rules for the maintenance of information systems in the sphere of pension and social security;

7) develop the rules of calculation of compulsory pension contributions, deducted and not transferred from the incomes of former employees, location of which is

unknown, by the agents, due to the absence of the social individual code and (or) taxpayer identification number, and (or) pension agreement with pension savings fund on 1 January, 2005;

Article 7 is provided to add subparagraphs 7-1) and 7-2) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-B (entered into force from 01.01.2024).

7-3) develop the rules for the return of 50 percent of the amount of compulsory pension contributions, transferred at the expense of budgetary funds before January 1, 2016 in favor of military servicemen (except for military servicemen of conscription service), employees of special state and law enforcement agencies, state courier service, and also persons, whose rights to have special ranks, class ranks and to wear uniforms have been abolished since January 1, 2012;

Subparagraph 8) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

8) develops and approve the rules for the information exchange between the information systems of the central executive body and the unified pension savings fund on individual pension accounts activity, and also on the pension payments' recipients and amounts;

9) develops rules for making pension payments, lump-sum pension payments in order to improve housing conditions and (or) pay for medical treatment, formed at the expense of mandatory pension contributions, mandatory occupational pension contributions from the unified pension savings fund, returning them to the unified pension savings fund, methodology for calculation of the pension payments amount, methodology for determining the replacement rate of the average monthly income of the recipient with pension payments, methodology for determining the threshold for the pension savings minimum sufficiency;

9-1) develop the rules of effecting the compulsory professional pension contributions;

9-2) develop and approve the rules for subsidizing compulsory pension contributions to recipients of social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years from the State social insurance fund;

9-3) monitor the sum of actually contributed compulsory pension contributions, compulsory professional pension contributions of contributors (recipients) in recognition of the rate of inflation on the relevant financial year;

9-4) develop the rules for implementation of state guarantees to the recipients of pension payments for the safety of compulsory pension contributions, compulsory

professional pension contributions in a unified accumulative pension fund in the amount of actually paid compulsory contributions, compulsory professional pension contributions, taking into account the rate of inflation;

9-5) organize the preparation and personnel development on issues of retirement insurance;

9-6) develop and approve the rules for the provision of a state basic pension payment at the expense of budgetary funds, as well as assignment and implementation of pension payments by age;

Article 7 is provided for by the addition of subparagraph 9-7) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

10) 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 7 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 06.04.2016 No. 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 8. The competence of the authorized body

An authorized body shall:

1) develop and approve the rules of carrying out an activity of the unified pension savings fund and (or) voluntary pension savings funds;

1-1) excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262 -VI (shall be enforced from 01.01.2020);

1-2) excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262 -VI (shall be enforced from 01.01.2020);

1-3) develops and approves requirements for investment portfolio managers to whom pension assets can be transferred for trust management in accordance with Article 35-1 of this Law, and also a list of financial instruments allowed for acquisition at the expense of these pension assets;

1-4) maintains and places on its Internet resource a register of investment portfolio managers that meet the requirements of the authorized body for managing pension assets;

2) develop and approve the rules of transfer of pension savings from the unified pension savings fund to the voluntary pension savings fund, from the voluntary pension savings fund to the unified pension savings fund, as well as from one voluntary pension savings fund to another voluntary pension savings fund;

3) develop and approve the rules of charging of the commission remuneration by the unified pension savings fund;

4) excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (effective from 01.01.2020);

4-1) develop and approve a standard pension annuity agreement, establish a methodology for calculating the insurance premium and insurance payment from an insurance organization under a pension annuity agreement;

4-2) develop and approve the rules for concluding a pension annuity agreement with an insurance organization and transferring pension contributions (redemption amount) to an insurance organization, a unified accumulative pension fund under an agreement of pension annuity;

5) exercise other functions, provided by this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

6) develops and approves the rules for the transfer of pension assets to trust management of an investment portfolio manager and the transfer of pension assets from one investment portfolio manager to another investment portfolio manager or the National Bank of the Republic of Kazakhstan;

7) develops and approves the rules for calculating the negative difference between the nominal yield of pension assets received by the investment portfolio manager and the minimum value of the pension assets profitability, as well as the rules and terms for compensating the negative difference by the investment portfolio manager at the expense of own capital.

Footnote. Article 8 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Chapter 2. PROCEDURE FOR IMPLEMENTATION OF THE PENSION SECURITY

Footnote. Title of Chapter 2 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016).

Article 9. The right to receive pension payments

Citizens shall be guaranteed the right to receive the state basic pension payment and pension payments upon the occurrence of the conditions, established by this Law.

Persons, having the right at the same time to pension payments by age and pension payments for long service shall be assigned one of these types of pension payments at their request.

Footnote. Article 9 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); as amended by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017).

Article 10. Categories of citizens, having the right for pension payments

Footnote. Title of Article 10 in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016).

1. Pension payments shall be made to the following categories of citizens:

1) receiving a pension until 1 January, 1998;

2) reached retirement in accordance with the paragraphs 1-3 of Article 11 of this Law;

3) military personnel, employees of special state and law enforcement agencies, state courier service who have been assigned special ranks, class ranks and qualification classes, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies at the time of the reduction of the position, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, eligible for retirement benefits.

2. In case of death of the recipient of pension payments by age or the recipient of state basic pension payment, his/her family or the person, carried out burial, shall be paid the lump sum payment for burial in the amount of 15,7-fold monthly calculation index, established for the corresponding financial year by the Law on the republican budget

3. In the event of the death of a pension payments recipient by age who was a veteran of the Great Patriotic War, his family or the person who performed the burial shall be paid a lump-sum for burial in the sum of 36.6 times the monthly calculation index established for the corresponding financial year by the law on the republican budget.

Footnote. Article 10 as amended by the Laws of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 31.03.2014 No. 180-V (shall be enforced from 01.04.2014); dated 23.04.2014 No. 200-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.11.2014

No. 248-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 06.05.2020 No. 323-VI (shall be enforced ten calendar days after the date of its first official publication); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022).

Article 11. Assignment of pension payments by age

Footnote. Title of Article 11 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016).

1. Assignment of pension payments by age shall be made:

from July 1, 2001 - for men upon reaching the age of 63, women upon reaching the age of 58.

At the same time, the assignment of pension payments for women by age shall be made:

from January 1, 2018 - upon reaching 58.5 years;

from January 1, 2019 - upon reaching 59 years;

from January 1, 2020 - upon reaching 59.5 years;

from January 1, 2021 - upon reaching 60 years;

from January 1, 2022 - upon reaching 60.5 years;

from 1 January 2023 – upon reaching 61 years;

from January 1, 2028 - upon reaching 61.5 years old;

from January 1, 2029 - upon reaching 62 years old;

from January 1, 2030 - upon reaching 62.5 years old;

from January 1, 2031 - upon reaching 63 years old.

2. Citizens, resided in the zones of extreme and maximum radiation risk during the period from August 29, 1949 to July 5, 1963, not less than 5 years, in accordance with the Law of the Republic of Kazakhstan "On Social Protection of Citizens Affected by Nuclear Tests at the Semipalatinsk Nuclear Test Site "have the right for assignment of pension payments by age:

1) men – upon reaching the age of 50;

2) women – upon reaching the age of 45.

3. Women, given birth (adopted, adopted) 5 or more children and brought them up to the age of eight, shall have the right to pension payments by age upon reaching 53 years.

4. Pension payments by age in full shall be appointed upon reaching the age, specified in paragraphs 1-3 of this Article to the following categories of citizens:

1) men – upon existence of labour experience not less than twenty-five years on January 1, 1998;

2) women – upon existence of labour experience not less than twenty years on January 1, 1998.

5. Pension payments by age in incomplete amount shall be assigned to the categories of citizens, specified in paragraphs 1-3 of this Article, if they do not have the right to receive pension payments by age in full, depending on their labour experience not less than six months on January 1, 1998.

6. Pension payments by age in incomplete amounts shall be calculated as a share from the pension payment in full by age in proportion to the available labour experience on January 1, 1998.

7. Judges of the Constitutional Court of the Republic of Kazakhstan, whose powers have been terminated due to the expiry of the term of office established by the Constitution of the Republic of Kazakhstan, who receive monthly life maintenance, shall not be appointed to retired judges who receive monthly life maintenance, retirement benefits by age or retirement benefits.

Footnote. Article 11 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the laws of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017); dated 05.11.2022 № 157-VII (shall enter into force from 01.01.2023); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 12. Period of implementation of the state basic pension payment and pension payments by age

State basic pension payment and pension payments by age shall be assigned for life and be carried out on the month of death or departure for permanent residence outside the Republic of Kazakhstan inclusive.

Footnote. Article 12 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016).

Article 13. Calculation of the labour experience for the assignment of pension payments by age

Footnote. The title of Article 13 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016).

1. When calculating the labour experience for assignment of pension payments by age, the following shall be included:

- 1) work on a contract, paid by the individuals and legal entities;
- 2) military service;
- 3) service in the special state and law enforcement bodies, state courier service;
- 4) state service;
- 5) entrepreneurial and other income-generating activity;

6) the time of care for a person with disability of the first group, a unified person with disability of the second group and an age pensioner in need of outside assistance, as well as elderly people who have reached the age of eighty;

7) time of care for a child with a disability under the age of 18;

8) time care of full time mother of minors, but not more than until reaching of every child the age of 3 within 12 years in total;

9) time of detention in custody, serving punishment in places of detention and deportation of citizens, unfoundedly instituted criminal proceedings and repressed, but subsequently rehabilitated;

10) residence time of employable citizens in temporally occupied territory of former USSR and persons (of all ages) in the territory of other states in the period of Great Patriotic War, where they were forcibly evacuated, detention in fascist concentration camps (ghetto and other places of places of forced imprisonment during the war), if in the specified periods these persons did not commit crimes against the Native country;

11) the time spent on disability of non-working persons with disabilities due to injury, shell shock, injury or disease received during the Great Patriotic War, and persons with disabilities equivalent to them;

12) period of residence abroad of spouse (spouse) of employees of former Soviet institutions, institutions of the Republic of Kazakhstan and international organizations, but not less than 10 years in total;

13) the period of residence of the spouses of military servicemen (except for military servicemen of conscription), employees of special state bodies with spouses in the areas, where there was no possibility of their employment in the specialty, but not more than 10 years in total;

14) is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016);

15) education in higher education institution, as well as in the preliminary courses, specialized secondary educational establishments, academies, schools and courses on personnel training, raising of qualification and requalification, postgraduate centre, doctorate and clinical residency, as well as spiritual (religious) education organizations in the territory of the Republic of Kazakhstan and abroad;

16) service in paramilitary security services, special communications bodies and mine rescue units independently from departmental affiliation and availability of special or military rank;

17) is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

18) labor activity in the country of departure of ethnic Kazakhs, who arrived to the Republic of Kazakhstan for the purpose of permanent residence in the historical homeland.

2. In case of concessional calculation of the labour experience for the assignment of pension payments by age, the following shall also be included:

1) military service in the composition of acting army in the period of military operations, as well as upon performance of military duty, as well as time spent in partisan units and commands in the period of military operations, as well as residence time under treatment in medical treatment facilities due to war injuries according to the procedure, established for calculation of time of this service upon award of pension payments to military servants for age in grade;

2) the work, as well as a civilian employee personnel and service, except of the military service, provided by subparagraph 1) of this paragraph, during the Great Patriotic War – in a double amount;

3) work in the Leningrad city in the period of its blockade during the Great Patriotic War from 8 September, 1941 to 27 January, 1944 – in treble;

4) residence time of citizens at the age of 12 years and older in the Leningrad city in the period of its blockade during the Great Patriotic War from 8 September, 1941 to 27 January, 1944 – in a double amount;

5) residence time of persons in the territory of other states in the period of Great Patriotic War, where they were forcibly evacuated, as well as residence time in fascist concentration camps (ghetto and other places of places of forced imprisonment during the war), if in the specified periods these persons did not commit crimes against the Native country - in a double amount;

6) the time of detention in custody, serving prison sentences, exile, forced labor with restriction of freedom, staying in penal colony and on compulsory treatment in a mental health care medical organization, unlawfully prosecuted and repressed, subsequently rehabilitated - in a triple amount;

7) the work and military service in the districts, adjoining to the Semipalatinsk nuclear test site, during the period from 29 August, 1949 to 5 July, 1963 - in treble, and from 6 July, 1963 to 1 January, 1992 – in a half amount;

8) the work in antiplague institutions, infectious establishments for the treatment of persons, infected with human immunodeficiency virus or AIDS – in a double amount, in organizations, carrying out the medical examination and pathological-anatomical diagnostic, - on the list of works, approved by the Government of the Republic of Kazakhstan – in a half amount;

9) the work on water transport during full navigation period is counted as a year of work;

10) the work during full season in organizations of seasonal sectors of industry independent from their departmental affiliation - on the list approved by the Government of the Republic of Kazakhstan, shall be counted in the length of service as a year of work.

Footnote. Article 13 as amended by the Laws of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 23.04.2014 No. 200-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 26.12.2018 No. 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 07.07.2020 No. 361-VI (shall be enforced ten calendar days after the date of its first official publication); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 27.06.2022 № 129-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

Article 14. Proof of work experience

1. The the years of service for calculation of pension payments by age shall be taken into account for the period till January 1, 1998.

2. The the years of service shall be confirmed by the employment book, and in the absence of the employment book or the corresponding records in it, shall be established on the basis of the documents, confirming the data on work, or the court decision.

Footnote. Article 14 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 14-1. The procedure and term of assignment of the state basic pension payment

1. An application for the assignment of the state basic pension payment with the attachment of documents, the list of which is determined by the central executive body, shall be submitted to the State Corporation.

Persons shall have the right to apply for the assignment of the state basic pension payment through the web portal of "electronic government".

2. The term of assignment of the state basic pension payment does not exceed eight working days from the date of registration of the application with the attached documents in the State Corporation.

3. Assignment of state basic pension payment shall be made by the body, that assigns the state basic pension payment and pension payments by age.

4. Assignment of state basic pension payment shall be made from the date of assignment. The day of application for the assignment of state basic pension payment shall be the day of registration of an application and necessary documents in the State corporation.

Footnote. The Law is supplemented by Article 14-1 in accordance with the Law of the Republic of Kazakhstan dated 17.03.2015 No.293-V (shall be enforced upon expiry of ten calendar days after its first official publication); is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 15. Calculation of the amount of pension payments by age

1. Calculation of pension payments by age in full shall be made at the rate of 60 percent of the average monthly income determined in accordance with Article 16 of this Law.

2. Calculation of the amount of pension payments by age shall be made on the basis of average monthly income for any three consecutive years, regardless the breaks in work since January 1, 1998.

The average monthly income amount over the period, with the exception of income according to paragraph 3 of this article, shall be established in accordance with the income from which mandatory pension contributions were made to the pension savings funds or the unified pension savings fund as determined by the central executive body.

3. The amount of average monthly income for the period from January 1, 1998 to persons who worked in Russian organizations of the complex "Baikonur," as well as for the period of labor, entrepreneurial activity, private practice by type of activity, to which, by decision of the Government of the Republic of Kazakhstan, an adjustment factor of 0 was applied to the rates of compulsory pension contributions, compulsory professional pension contributions, for activities whose income shall be excluded from the income of an individual, subject to taxation, in accordance with subparagraph 51) of paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code), shall be established in accordance with the income confirmed by the statement of income.

Pension payments by age are calculated based on the amount of income paid in the currency of the Russian Federation at the official rate of the national currency of the Republic of Kazakhstan to foreign currencies established by the National Bank of the Republic of Kazakhstan on the day of applying for the appointment of pension payments by age.

4. The amount of pension payments by age for each full worked year up to January 1st 1998 in excess of the required the years of service shall be increased by 1 per cent, but not more than 75 per cent of the income taken into account for the calculation of pension payments by age.

If the calculated amount of pension payments by age in full is below the minimum amount of pension, established for the corresponding financial year by the Law on the

republican budget, pension payments by age shall be assigned in the minimum pension amount.

5. Is excluded by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017).

Footnote. Article 15 is in the wording of Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); as amended by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017) ; dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 04.07.2022 № 134-VII (shall enter into force from 01.04.2020).

Article 16. Determination of income for calculation of pension payments by age

Footnote. Title of Article 16 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016).

1. Is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

2. Income for award of pension payments over 3 years of work shall be determined by division of total income by thirty-six for 36 consecutive calendar months.

At the request of the applicant, the months of action in the Republic of Kazakhstan of the state of emergency, restrictive measures shall be excluded when determining the average monthly amount of income and be replaced by other months immediately preceding or following the specified period.

3. Income for calculating retirement payments by age cannot exceed the size of the 55-time monthly calculation indicator established for the corresponding fiscal year by the Law on the republican budget.

Footnote. Article 16 as amended by the Law of the Republic of Kazakhstan dated 31.03.2014 No. 180-V (shall be enforced from 01.04.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017) ; dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 04.07.2022 № 134-VII (shall enter into force from 01.04.2020); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 17. The procedure application for the assignment of pension payments by age

1. An application for the assignment of pension payments by age shall be submitted to the state Corporation with the application of documents, confirming the labour experience and income, required for the calculation of pension payments.

2. The assignment of pension payments by age shall be made by the body, assigning the state basic pension payment and pension payments by age.

3. The body, assigning the state basic pension payment and pension payments by age shall be obliged to give explanations, concerning the issues of assignment of pension payments and render assistance to citizens in registration of the relevant documents.

Footnote. Article 17 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); as amended by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017).

Article 18. Terms of consideration of documents for assignment of pension payments by age

1. The term of assignment of pension payments by age does not exceed ten working days from the date of registration of the application with the attached documents in the State Corporation.

2. Pension payments by age shall be assigned from the date of application. The day of application for the assignment of pension payments by age shall be the day of registration of an application and necessary documents in the State corporation.

3. In case of refusal in assignment of pension payments by age, the body assigning the state basic pension payment and pension payments by age shall be obliged to motivate the reasons of refusal in written form through the State Corporation and return the submitted documents to the applicant.

4. The decision of the body that assigns the state basic pension payment and pension payments by age may be appealed as prescribed by the laws of the Republic of Kazakhstan.

Footnote. Article 18 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.06.2020 No. 351-VI (effective from 01.07.2021).

Article 19. The terms of award of pension payments from the Center

Footnote. Article 19 is excluded by the Law of the Republic of Kazakhstan dated 17.03.2015 No. 293-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 20. Competence of the State Corporation in the field of pension provision

Footnote. Title of Article 20 is in the wording of the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016).

1. The state Corporation shall carry out the following types of activity, related to the state monopoly:

1) organization and implementation of the state basic pension payment, pension payments by age, pension payments for the years of service, payments of benefits, lump sum and other payments in accordance with the legislation of the Republic of Kazakhstan;

Subparagraph 2) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of sub-paragraph 2) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article 2 for the procedure of enforcement).

2) formation of databases of individuals in favor of whom compulsory pension contributions, compulsory professional pension contributions have been paid, and recipients of pension payments from the unified accumulative pension fund;

3) determination of the amount of compulsory pension contributions, compulsory professional pension contributions actually paid by the agent, taking into account the predicted rate of inflation for the next financial year;

Subparagraph 4) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 4) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article 2 for the procedure of enforcement).

4) personified record of compulsory pension contributions, compulsory professional pension contributions and (or) penalties;

Subparagraph 5) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 5) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article 2 for the procedure of enforcement).

5) transfer of compulsory pension contributions, compulsory professional pension contributions and (or) penalties from the agents to the unified accumulative pension fund;

Subparagraph 6) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 6) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Article 2 for the procedure of enforcement).

6) return to the agent of compulsory pension contributions, compulsory professional pension contributions and (or) penalties of persons, who do not have an individual identification number and (or) pension agreements, and (or) in the requisites of whom mistakes have been made;

Subparagraph 7) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

7) return to the agent and (or) the State Corporation of compulsory pension contributions, compulsory professional pension contributions and (or) penalties from a unified accumulative pension fund upon his (her) application;

Subparagraph 8) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

8) formation and presentation of registers of payment documents of agents on the amounts of compulsory pension contributions, compulsory professional pension contributions, transferred to the account of the State Corporation and returned to the agent from the State Corporation and (or) penalties on them to the authorized body, carrying out management in the sphere of ensuring the receipt of taxes and other compulsory payments to the budget;

9) formation of a mockup of the cases of recipients of the state basic pension payment, pension payments by age, benefits, lump sum and other payments;

10) filling and updating of automated centralized databases and personified record of recipients of the state basic pension payment, pension payments, benefits, lump sum and other payments;

11) interaction with the agents, a unified accumulative pension fund on the issues of accounting, transfer, repayment of pension contributions and (or) penalties on them;

11-1) interaction with the unified pension savings fund on issues of accounting, transfer, return, termination of pension payments;

12) is excluded by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76 -VI (shall be enforced from 01.07.2017);

13) is excluded by the Law of the Republic of Kazakhstan dated 20.06.2017 No. 76 -VI (shall be enforced from 01.07.2017);

14) provision of information services to individuals and legal entities by types of activities of the State Corporation, taking into account the requirements of the legislation of the Republic of Kazakhstan for securing the secrecy of pension savings;

15) organization and transfer of compulsory pension contributions, deducted from social payments at the expense of the State Social Insurance Fund to the unified accumulative pension fund;

16) transfer to a unified contribution pension fund of additionally established compulsory pension contributions subsidized from budgetary funds to recipients of social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years;

16-1) formation of predicted data on calculation of the need for pension payments, benefits, lump sum and other payments;

16-2) formation of a monthly need, schedules for the implementation of pension payments, benefits, lump sum and other payments, and direction of an application for the need of budgetary funds to the central executive body;

16-3) submission of information from information systems in the sphere of pension provision to the central executive body and its departments;

17) enters into force from 01.01.2023 by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V;

18) other types of activity, provided for by the laws of the Republic of Kazakhstan.

2. Prices for goods (services) produced and (or) sold by the State Corporation shall be established by the authorized body, determined by the decision of the Government of the Republic of Kazakhstan from among the Central state bodies, in coordination with the Central Executive body and the Antimonopoly authority.

Footnote. Article 20 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 17.03.2015 No. 293-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017); dated 02.07.2018 № 165-VI (shall be enforced from 01.07.2018); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 21. Procedure for implementation of the state basic pension payment and pension payments by age

1. The state basic pension payment and pension payments by age shall be paid for the current month.

2. Working pensioners shall have the right to receive pension payments by age or pension payments for long service in full amount, taking into account the limitations, provided for by this Law.

2-1. Persons, residing in medical and social institutions (organizations) in hospital conditions and being on full state security, pension payments by age shall be paid:

1) in the amount, provided by paragraph 5 of Article 11 of this Law, if the amount of the pension payment, calculated in accordance with this standard is below the minimum pension, established for the relevant financial year by the Law on the republican budget;

2) in the amount of 30 percent of the of pension payments by age, calculated in accordance with Article 15 of this Law, but not less than the minimum pension, established for the relevant financial year by the Law on the republican budget.

Transfer of 70 percent of the assigned amount of pension payments by age shall be made to a separate bank account or to a cash control account of medical and social institutions (organizations).

The procedure for the use of these funds by medical and social institutions (organizations) shall be determined by the central executive body.

In case of departure of the recipient from medical and social institutions (organizations), the full pension payment shall be renewed from the first day of the month following the month of departure.

3. The state basic pension payment and pension payments by age may be assigned and paid on a notarized power of attorney.

4. The procedure for the implementation of the state basic pension payment and pension payments by age shall be determined by the central executive body.

Footnote. Article 21 as amended by the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); as amended by the laws of the Republic of Kazakhstan dated 03.12.2015 No. 433-V (see Art. 2 for the procedure of enforcement); dated 06.04.2016 No. 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017).

Article 22. Receipt of the state basic pension payment, pension payments by age and pension payments for the years of service for the past time

1. The amounts of the state basic pension payment, pension payments by age and pension payments for the years of service, assigned but not claimed by the recipient, shall be paid for the past time, but not more than three years before the date of application for their receipt.

2. The amounts of the state basic pension payment, pension payments by age and pension payments for the years of service not received in due time for the fault of the body, assigning the state basic pension payment and pension payments by age, or the body carrying out pension ensuring for the years of service, and also of the State corporation shall be paid for the past time without limitation of terms.

Footnote. Article 22 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 23. Deduction from pension

1. Deduction from pension may be made in an executable manner, except of the cases of overpaid sums of pensions in consequence of mistakes upon award to pensions, when deductions are made on the basis of application of the recipient, as well as the cases of deductions of incomes of convicted, confined.

2. Deductions from pension shall be made from the sum, due to the payment.

3. More than 50 percent from the sum due to the payment may not be deducted from the pension.

Chapter 3. PAYMENT FROM PENSION CONTRIBUTIONS

The title of Article 24 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of the title of article 24 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (the order of enforcement see paragraph 3) of Art. 2).

Article 24. Payment of compulsory pension contributions, compulsory professional

Clause 1 is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of paragraph 1 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (see subparagraph 3) of Art.2 for the procedure of enforcement).

1. Compulsory pension contributions, compulsory professional pension contributions to a unified accumulative pension fund shall be payable by agents at rates , determined by this Law.

2. The following persons shall be exempted from payment of compulsory pension contributions to a unified accumulative pension fund:

1) individuals, having reached retirement age in accordance with paragraph 1 of Article 11 of this Law;

2) individuals, having disability of the first and second groups, if the disability is established permanently. Payment of compulsory pension contributions to a unified accumulative pension fund shall be carried out at the request of the persons, specified in this subparagraph;

3) military personnel (except for conscripts), employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012 , and persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who at the time of the reduction of their position had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, provided their continuation of work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system ;

4) recipients of pension payments for long service;

5) individuals, working under the employment contract, receiving income under the contracts of civil-legal nature, the subject of which is performance of works (rendering services), concluded with individuals who are not tax agents.

3. The agent shall be exempted from the payment of compulsory professional pension contributions to a unified accumulative pension fund, for:

1) individuals, having reached retirement age in accordance with paragraph 1 of Article 11 of this Law;

2) military personnel (except for conscripts), employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who at the time of the reduction of their position had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, provided their continuation of work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system ;

3) recipients of pension payments for long service.

4. It shall be enforced from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V.

Subparagraph 6) of paragraph 4 shall be enforced from 01.01.2018 in accordance with the law of the Republic of Kazakhstan dated 06.04.2016 No.483-V.

6) the unemployed citizens, directed by the employment center within active measures of assistance of employment on social workplaces, public work and (or) youth practice.

Clause 5 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V (shall be enforced from 01.01.2024).

This edition of paragraph 5 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (see subparagraph. 3) of Article 2 for the procedure of enforcement).

5. Compulsory pension contributions, compulsory professional pension contributions shall be paid in the national currency of the Republic of Kazakhstan.

Clause 6 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V (shall be enforced from 01.01.2024).

This edition of paragraph 6 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph. 3) of Article 2 for the procedure of enforcement).

6. All types of labor remuneration in monetary terms and other incomes shall be included in the income for calculation of compulsory pension contributions, compulsory professional pension contributions.

Clause 7 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V (shall be enforced from 01.01.2024).

This edition of passage 1 of paragraph 7 is valid until 01.01.2024 in accordance

with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph 3) of Art.2 for the procedure of enforcement).

7. Deducted (charged) compulsory pension contributions, compulsory professional pension contributions shall be transferred to the State Corporation:

1) individual entrepreneurs and legal entities (except for the persons, specified in subparagraphs 2), 5) and 6) of this paragraph), persons engaged in private practice, from the income paid to the employees, as well as individuals under the contracts of civil-legal nature, the subject of which is the performance of works (rendering of services) – no later than the 25th day of the month following the month of payment of income;

2) individual entrepreneurs (except for individual entrepreneurs specified in subparagraph 5) of this paragraph), persons engaged in private practice in their favor – no later than the 25th day of the month following the reporting one;

3) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

4) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

5) by individual entrepreneurs, applying a special tax regime on the basis of a patent - within the term, provided for by the Tax legislation of the Republic of Kazakhstan for payment of the patent value;

6) State Corporation - not later than the 15th day of the month following the month of implementation of social payments;

7) by the insurance organization - not later than the 25th day of the month following the month of the insurance payment as compensation for damage, associated with loss of earnings (income);

Subparagraph 8) is valid till 01.01.2024 in accordance with Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

8) individuals who are payers of a single aggregate payment in accordance with Article 774 of the Code of the Republic of Kazakhstan "On Taxes and other Compulsory Payments to the Budget" (Tax code) – within the period, provided by the tax legislation of the Republic of Kazakhstan.

Article 24 is provided to be supplemented with paragraph 7-1 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V (shall be enforced from 01.01.2024).

7-1. The amounts of withheld compulsory pension contributions included in the unified payment shall be transferred to the State corporation by agents for calculating (calculating), transferring a unified payment within the terms established by paragraph 5

of Article 776-4 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code).

The procedure for payment, transfer and distribution, as well as the return of a unified payment, shall be determined by the central executive body in agreement with the National Bank of the Republic of Kazakhstan, as well as the authorized state body that shall provide leadership in the field of ensuring tax revenues and payments to the budget, and authorized state bodies for state planning, in the field of health and digital development.

Clause 8 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V (shall be enforced from 01.01.2024).

8. Control over the full and timely payment of compulsory pension contributions, compulsory professional pension contributions and (or) interest accrued in accordance with paragraph 1 of Article 28 of this Law shall be carried out by the state revenue bodies in accordance with the legislation of the Republic of Kazakhstan, except for the payment of compulsory pension contributions by the persons, specified in subparagraph 8) of paragraph 7 of this Article.

9. Compulsory pension contributions cannot be paid in favor of other persons.

10. Compulsory pension contributions, deducted and not transferred by the agents from the income of former employees, whose place of residence is not known, due to the absence on January 1, 2005 of the social individual code and (or) taxpayer registration number, and (or) the agreement on pension provision with accumulative pension funds, before January 1, 2014 shall be transferred by the agents together with penalties, charged before January 1, 2005, to the budget in the manner, established by the Government of the Republic of Kazakhstan. At the same time, the penalty, charged after January 1, 2005, shall be subject to cancellation.

The amounts of compulsory pension contributions and (or) penalties, transferred to the budget can be claimed by former employees, and in cases of their death, entry into legal force of a court decision on recognition as missing or declaration of deceased by heirs in accordance with the civil legislation of the Republic of Kazakhstan.

11. By the decision of a resident legal entity, its branches and representative offices may be considered as agents.

Footnote. Article 24 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016); as amended by the laws of the Republic of Kazakhstan dated 17.11.2015 № 408-IV (shall be enforced from 01.03.2016); 06.04.2016 No. 483-V (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (the order of enforcement see Article 2); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 25. The rate and procedure for payment of compulsory pension contributions

1. Compulsory pension contributions, subject to payment to a unified accumulative pension fund, shall be established in the amount of 10 percent of the monthly income taken for calculation of compulsory pension contributions.

At the same time, the monthly income, received for calculation of compulsory pension contributions should not exceed 50 times the minimum wage, established for the corresponding financial year by the Law on republican budget.

At the same time, the maximum aggregate annual income, accepted for calculation of compulsory pension contributions should not exceed twelve times the 50-fold minimum wage, established for the corresponding financial year by the Law on the republican budget.

2. For recipients of social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years, compulsory pension contributions shall be additionally established from the State social insurance fund, which shall be subject to subsidies from budget funds.

The total rate of compulsory pension contributions for the mentioned recipients is 10 percent of the income, recorded as the object of calculating social contributions in accordance with the legislation of the Republic of Kazakhstan on compulsory social insurance.

At the same time, the total amount of compulsory pension contributions shall consist of the amounts of compulsory pension contributions subject to subsidies from budgetary funds, and the amount of compulsory pension contributions withheld from social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years.

3. Subsidization of additionally established compulsory pension contributions from the budgetary funds shall be suspended on the basis of the decision of the authorized state body under:

1) revealing the fact of transfer by the agent of 10 percent of compulsory pension contributions;

2) identification of the fact of departure of recipients of social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years from the State social insurance fund for permanent residence outside the Republic of Kazakhstan;

3) receipt of information about death, a court decision that entered into legal force, recognition as missing or declaring dead the recipient of social benefits in case of loss of income in connection with caring for a child upon reaching the age of one and a half years from the State social insurance fund;

4) receipt of information on released and removed guardians (trustees), on depriving or restricting parents of parental rights, on canceling or invalidating decisions on adoption.

Renewal of the subsidy for the additionally established compulsory pension contributions shall be made from the first day of the month following the month in which the circumstance, that is the basis for suspension ceased.

Subsidization of additionally established compulsory pension contributions at the expense of budgetary funds shall be terminated on the grounds, stipulated by the legislation of the Republic of Kazakhstan on compulsory social insurance.

4. For individuals engaged in private practice, individual entrepreneurs, mandatory pension contributions in their favor, payable to a unified accumulative pension fund, are set at 10 percent of the income received, but not less than 10 percent of the minimum wage and not more than 10 percent 50 times the minimum wage established for the relevant financial year by the law on the republican budget.

For peasant or farm enterprises, compulsory pension contributions in favor of an adult member (participant) and the head of the peasant or farm, subject to payment to the unified accumulative pension fund, calculated for each month of the tax period, shall be established at a rate of not less than 10 percent of the minimum wage and not more than 10 percent of the 50-fold minimum wage, established for the relevant financial year by the Law on the republican budget. Compulsory pension contributions in favor of adult members (participants) of the peasant or farm shall be subject to calculation and payment from the beginning of the calendar year following the year of their reaching the age of adulthood.

The received income shall be the income determined independently by the person engaged in private practice, and also by the individual entrepreneur for calculation of compulsory pension contributions to the unified accumulative pension fund in their own favor.

In the absence of income, persons engaged in private practice, as well as individual entrepreneurs shall have the right to pay compulsory pension contributions to the unified accumulative pension fund in their favor at the rate of 10 percent of the minimum wage, established for the corresponding financial year by the Law on the republican budget.

Passage five of paragraph 4 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

For individuals who are the payers of a single aggregate payment in accordance with Article 774 of the Code of the Republic of Kazakhstan "On Taxes and other Compulsory Payments to the Budget" (Tax Code), compulsory pension contributions in their favor, subject to payment to the unified accumulative pension fund, make 30 percent of the 1-fold amount of the monthly calculation index in the cities of republican and regional significance, the capital city and 0.5-fold amount of the monthly calculation index – in other settlements.

Passage six of paragraph 4 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 No. 203-VI.

At the same time, the size of the monthly calculation index established by the Law on the republican budget and valid for January 1 of the corresponding financial year shall be applied.

For unified payment payers specified in Chapter 89-1 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code), the share of compulsory pension contributions in the unified payment rate shall be:

from January 1, 2023 - 50.0 percent;

from January 1, 2024 - 46.5 percent;

from January 1, 2025 - 42.0 percent;

from January 1, 2026 - 40.3 percent;

from January 1, 2027 - 38.8 percent;

from January 1, 2028 - 38.0 percent.

4-1. For individuals who receive income under civil contracts, the subject of which is the performance of work (provision of services), with the exception of the case provided for in subparagraph 5) of paragraph 2 of Article 24 of this Law, mandatory pension contributions payable to a unified accumulative pension fund, are established in the amount of 5 percent of the income received, but not more than 5 percent of the 50-fold minimum wage established for the corresponding financial year by the law on the republican budget.

5. For the citizens, specified in paragraph 2 of Article 39 of this Law, compulsory pension contributions shall be subject to payment in their favor to a unified accumulative pension fund in the amount of 10 percent of the income received, but not less than 10 percent of the minimum wage, established for the relevant financial year by the Law on the republican budget.

Footnote. Article 25 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Chapter 3 is provided to supplement by Article 25-1 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Article 26. The rate and procedure for implementation of compulsory professional pension contributions

1. Compulsory professional pension contributions, subject to payment in a unified accumulative pension fund shall be established at a rate of 5 percent of monthly income of the employee, accepted for calculation of compulsory professional pension contributions.

2. Compulsory professional pension contributions shall be carried out by the agents at the expense of their own funds in favor of employees, engaged in work with hazardous working conditions, the occupations of whom are stipulated in the list of productions, jobs, occupations of workers.

In case of exception of hazardous working conditions, confirmed by the results of certification of production facilities, payment of compulsory professional pension contributions by the agents shall not be made.

Footnote. Article 26 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No.342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 20.06.2017 No.76-IV (shall be enforced from 01.07.2017).

Article 27. The rate of voluntary pension contributions

1. The voluntary pension contributions in a unified pension savings fund and (or) voluntary pension savings fund shall be deposited by the contributors – individuals for its own benefit at the expense of its income upon conclusion an agreement by them on retirement insurance at the expense of pension contributions.

2. A contributor of voluntary pension contributions shall have a right to choose a unified pension savings fund and (or) voluntary pension savings fund for the payment of voluntary pension contributions.

3. Individuals and legal entities may be the contributors of voluntary pension contributions for the benefit of recipient.

4. The amount and frequency of voluntary pension contributions payment shall be established by an individual and a legal entity independently.

Footnote. Article 27 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.05.2021).

Article 27-1. Crediting of voluntary pension contributions formed from the unclaimed amount of the guarantee compensation on the guaranteed deposit

The unclaimed amount of the guarantee compensation on a guaranteed deposit shall be credited by the unified pension savings fund to an individual pension account for accounting for voluntary pension contributions based on the list of contributors (beneficiaries) with unclaimed amounts of guarantee compensation on guaranteed deposits, submitted by the organization providing mandatory guarantee of deposits, in the manner and terms, established by the agreement concluded between the unified

pension savings fund and the organization providing mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan On mandatory guarantee of deposits placed with second-tier banks of the Republic of Kazakhstan.

Footnote. Chapter 3 is supplemented by Article 27-1 in accordance with the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.05.2021).

Article 28 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Article 28. Liability for late withholding and transfer of compulsory pension contributions, compulsory professional pension contributions

1. The amounts of mandatory pension contributions, mandatory occupational pension contributions that were not withheld (not accrued) and (or) not transferred by the agent in a timely manner, subject to the actual payment and receipt of income by the employee, shall be collected by the state revenue bodies or are subject to transfer by the agent in favor of contributors of mandatory pension contributions, employees, in favor of which mandatory occupational pension contributions are paid, with a charged penalty in the amount of 1.25 times the base rate of the National Bank of the Republic of Kazakhstan, for each day of delay (including the day of payment to the State Corporation).

2. Not later than five working days from the date of formation of debt on compulsory pension contributions, compulsory professional pension contributions from the agent, referred in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan, to the category of high or medium risk, the state revenue body shall send a notification to the agent about the amount of debt.

The form of notification shall be approved by the authorized body exercising management in the sphere of ensuring the receipt of taxes and other compulsory payments to the budget.

3. In case of non-payment of debts on compulsory pension contributions, compulsory professional pension contributions, the state revenue body shall suspend expenditure operations on bank accounts and cash desk of:

an agent, classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan as a high level of risk – after one working day from the date of receipt of the notification;

an agent, classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan as an average risk level – after ten working days from the date of receipt of the notification.

By the order of the state revenue bodies, banks and organizations, carrying out certain types of banking operations shall be obliged to suspend expenditure operations on bank accounts of agents and to execute instructions concerning the transfer of compulsory pension contributions, compulsory professional pension contributions,

social contributions, deductions and (or) contributions to the social health insurance fund, tax debts and debts on customs payments, taxes and penalties in the manner prescribed by the legislation of the Republic of Kazakhstan.

The order of the state revenue body on the suspension of expenditure operations on cash shall be subject to unconditional execution by the agent by transferring the incoming cash to the State Corporation not later than one working day following the day of their receipt.

The form of the order on suspension of expenditure operations on cash desk of the agent shall be approved by the authorized body performing the management in the field of ensuring receipt of taxes and other compulsory payments in the budget.

4. The orders of the state revenue body on the suspension of expenditure operations on bank accounts and the agent's cash desk shall be canceled by the state revenue body, which issued such orders, not later than one working day following the day of repayment of the debt on compulsory pension contributions, compulsory professional pension contributions.

4-1. In case of non-payment of arrears on compulsory pension contributions, compulsory professional pension contributions, lists of individuals in favor of whom arrears of compulsory pension contributions, compulsory professional pension contributions are collected, are submitted to the state revenue body that sent the notification:

1) by an agent classified in the high-risk category in accordance with the risk management system provided for by the tax legislation of the Republic of Kazakhstan - within five working days from the date of delivery of the notification;

2) by an agent classified in accordance with the risk management system provided for by the tax legislation of the Republic of Kazakhstan to the category of medium risk level - within fifteen working days from the date of delivery of the notification.

5. On the basis of the lists submitted by the agent in accordance with paragraph 4-1 of this article, the state revenue body collects the amount of arrears on mandatory pension contributions, mandatory professional pension contributions compulsorily from the agents' bank accounts no later than five working days from the date of receipt of the lists.

The collection of arrears on compulsory pension contributions, compulsory professional pension contributions from the bank accounts of agents is carried out on the basis of a collection order of the state revenue authority with the attachment of lists submitted by the agent.

If there is no or insufficient money in the bank (bank) account (accounts) to meet all the requirements for the client, the bank withdraws the client's money in the order of priority established by the Civil Code of the Republic of Kazakhstan.

If there is no money in the agent's bank account in national currency, debt collection on compulsory pension contributions, compulsory professional pension contributions is made from the agent's bank accounts in foreign currency on the basis of collection orders issued in national currency by the state revenue authorities.

6. Banks and organizations, carrying out certain types of banking operations, shall be obliged to transfer the amounts of compulsory pension contributions, compulsory professional pension contributions through the State corporation on the day of writing off these amounts from the bank accounts of the agents.

7. State revenue bodies shall annually publish in the media the lists of agents with debts on compulsory pension contributions, compulsory professional pension contributions, not repaid within more than six months from the date of its occurrence, indicating the identification number of the agent, surname, name, patronymic (if it is specified in the identity document) of the head and the amount of the debt on compulsory pension contributions, compulsory professional pension contributions.

Footnote. Article 28 is in the wording of the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (the order of enforcement see Article 11); as amended by the laws of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (effective from 01.01.2021).

Article 29 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Article 29. Presentation of information on transferred of compulsory pension contributions, compulsory profession pension contributions

1. Agents, with the exception of individuals who are payers of a single aggregate payment in accordance with Article 774 of the Code of the Republic of Kazakhstan " On taxes and other obligatory payments to the budget" (Tax Code), individual entrepreneurs applying a special tax regime using a special mobile application, quarterly, within the period established by the tax legislation of the Republic of Kazakhstan, shall submit a declaration on individual income tax and social tax, reflecting information on the calculated, withheld (charged) amounts of mandatory pension contributions, mandatory occupational pension contributions, unless otherwise established by the legislation of the Republic of Kazakhstan.

The form of declaration and order of its drawing up shall be established by the authorized body.

2. Information shall not be expressed in the declaration on individual income tax and social tax in a part of compulsory pension contributions, compulsory profession pension contributions in relation of persons, except from payments of compulsory pension contributions, compulsory profession pension contributions in accordance with paragraphs 2-4 of Article 24 of this Law.

3. The agents shall be obliged to maintain the primary record of calculated, deducted (charged) and transferred compulsory pension contributions, compulsory profession pension contributions on each employee in accordance with the procedure, established by the legislation of the Republic of Kazakhstan.

4. The agent is obliged to provide contributors of compulsory pension contributions and employees, in favor of whom compulsory professional pension contributions are paid, information on the calculated and withheld (accrued) amounts of compulsory pension contributions, compulsory professional pension contributions to the unified accumulative pension fund with a monthly notification of the components of wages fees due to them for the relevant period.

Footnote. Article 29 as amended by the Laws of the Republic of Kazakhstan dated 05.12.2013 No. 152-V (the order of enforcement see Article 9); dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 24.06.2021 No. 52-VII (effective from 01.01.2022).

Chapter 4. PENSION PAYMENTS FROM THE UNIFIED PENSION SAVINGS FUND AND (OR) VOLUNTARY PENSION SAVINGS FUND

Article 30. Organization of pension payments from the unified accumulative pension fund

1. Pension payments from the unified pension savings fund shall be made from the pension savings formed at the expense of mandatory pension contributions, mandatory occupational pension contributions in the form of monthly pension payments according to the established schedule and (or) insurance payments from an insurance organization in accordance with a pension annuity agreement at the expense of pension savings, also in the form of lump-sum pension payments in order to improve housing conditions and (or) pay for medical treatment to the persons referred to in paragraph 1-1 of Article 31, in paragraph 1-1 of Article 32 of this Law.

If the amount of pension contributions of persons specified in subparagraphs 1) and 3) of paragraph 1 of Article 31, subparagraphs 2) and 3) of paragraph 1 of Article 32 of this Law exceeds the amount of the pension annuity agreement concluded with the insurance organization, this difference is paid to the depositor (recipient) from the unified accumulative pension fund in the form of monthly pension payments according to the established schedule.

In the event that the pension savings amount of the persons referred to in subparagraphs 1) and 3) of paragraph 1 of Article 31 of this Law does not exceed twelve times the minimum pension established by the law on the republican budget and effective as of January 1 of the corresponding financial year, this amount shall be paid to the contributor (recipient) from the unified pension savings fund in a lump sum.

In case of removal of disability of the first or second group, established indefinitely for the persons referred to in subparagraph 3) of paragraph 1 of Article 31 and subparagraph 3) of paragraph 1 of Article 32 of this Law, the pension payments from the unified pension savings fund shall be terminated from the month following the month of receipt of information about the disability removal.

The amount of a one-time pension payment at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions to the persons referred to in the second paragraph of paragraph 1-1 of Article 31, in the second paragraph of paragraph 1-1 of Article 32 of this Law may not exceed the amount of the difference between the amount of pension savings at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions of the contributor (recipient) and the threshold of minimum sufficiency of pension savings.

The amount of a one-time payment of pension savings at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions to the persons referred to in the third paragraph of paragraph 1-1 of Article 31, in the third paragraph of paragraph 1-1 of Article 32 of this Law may not exceed 50 percent of the pension savings amount at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions of the contributor (recipient). When calculating the replacement rate of the average monthly income, the income preceding the retirement date, but not more than the average monthly income in the republic, shall be taken into account.

The amount of a lump-sum pension payment at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions to persons referred to in the fourth paragraph of paragraph 1-1 of Article 31, in the fourth paragraph of paragraph 1-1 of Article 32 of this Law may not exceed the amount of pension savings at the expense of mandatory pension contributions and (or) mandatory occupational pension contributions on the individual pension accounts of the contributor (recipient).

Paragraph 2 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of paragraph 2 is valid from 01.01.2018 to 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V.

2. Pension payments at the expense of compulsory pension contributions, compulsory professional pension contributions shall be transferred by a unified accumulative pension fund to the recipient's bank account, the requisites of whom are indicated in the recipient's application for pension payments.

Payment of banking services, related to transfers, assignment and pension payments from compulsory pension contributions, compulsory professional pension

contributions, except for the amounts of their conversion, shall be carried out at the expense of own funds of the unified accumulative pension fund.

Footnote. Article 30 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2018); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 31. The right to pension payments from compulsory pension contributions

Footnote. Title is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

1. The persons, having pension savings in the unified accumulative pension fund shall have the right to pension payments from compulsory pension contributions:

1) upon the occurrence of the conditions, provided for by paragraph 1 of Article 11 of this Law;

2) upon reaching the age of 45 by the contributor with sufficient pension savings to conclude a pension annuity agreement to provide at least 70 percent of the subsistence minimum established by the law on the republican budget and effective as of January 1 of the corresponding financial year, in accordance with paragraph 1 of Article 59 this Law;

3) persons with disabilities of the first and second groups, if the disability is established indefinitely;

4) foreigners and persons without citizenship who have left the country for permanent residence outside the Republic of Kazakhstan, and have submitted the documents, determined by the legislation of the Republic of Kazakhstan, confirming the fact of departure.

1-1. Persons with pension savings in the unified pension savings fund shall have the right to lump-sum pension payments at the expense of mandatory pension contributions in order to improve housing conditions for themselves or their spouse or close relatives, and (or) to pay for medical treatment for themselves or their spouse or close relatives, if one of the following conditions exists:

if the amount of pension savings from mandatory pension contributions available on the individual pension account of the contributor exceeds the minimum sufficiency threshold for pension savings;

if the amount of pension, and for persons specified in paragraph 7 of Article 11 of this Law, the amount of monthly maintenance ensures the replacement rate of the average monthly income of the recipient at the level of at least 40 percent, determined in the manner determined by the Government of the Republic of Kazakhstan. When

calculating the replacement ratio of the average monthly income, the recipient's income preceding the date of retirement is taken into account, but not more than the average monthly income in the republic;

if the depositor has concluded a pension annuity agreement with an insurance organization.

2. In case of the death, the persons, having the pension savings in a unified pension savings fund, shall be inherited according to the procedure, established by the legislation of the Republic of Kazakhstan at the expense of compulsory pension contributions.

Footnote. Article 31 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 27.06.2022 № 129-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Chapter 4 is provided to supplement by Article 31-1 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Article 32. The right to pension payments from compulsory professional pension contributions

Footnote. Title is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

1. Persons, having pension savings in a unified accumulative pension fund shall have the right to pension payments from compulsory professional pension contributions:

1) those who have reached the age of forty, for whom mandatory occupational pension contributions have been paid in the aggregate for at least sixty calendar months, by concluding a pension annuity agreement with an insurance organization with sufficient pension savings to provide at least 70 percent of the subsistence minimum established for the corresponding financial year by the law on the republican budget;

2) upon the occurrence of the conditions, provided for by paragraph 1 of Article 11 of this Law;

3) persons with disabilities of the first and second groups, if the disability is established indefinitely;

4) foreigners and persons without citizenship who have left the country for permanent residence outside the Republic of Kazakhstan, and have submitted the documents, determined by the legislation of the Republic of Kazakhstan, confirming the fact of departure.

1-1. Persons with pension savings in the unified pension savings fund shall have the right to lump-sum pension payments from mandatory occupational pension contributions in order to improve housing conditions for themselves or their spouse or close relatives, and (or) to pay for medical treatment for themselves or their spouse or close relatives, if one of the following conditions is met:

if the pension savings amount from mandatory occupational pension contributions available on the individual pension account of the contributor (recipient) exceeds the minimum sufficiency threshold of pension savings;

if the amount of pension, and for persons specified in paragraph 7 of Article 11 of this Law, the amount of monthly maintenance ensures the replacement rate of the average monthly income of the recipient at the level of at least 40 percent, determined in the manner determined by the Government of the Republic of Kazakhstan. When calculating the replacement ratio of the average monthly income, the recipient's income preceding the date of retirement is taken into account, but not more than the average monthly income in the republic;

if the depositor has concluded a pension annuity agreement with an insurance organization.

2. In case of the death, the persons, having the pension savings in a unified pension savings fund, shall be inherited according to the procedure, established by the legislation of the Republic of Kazakhstan at the expense of compulsory pension contributions.

Footnote. Article 32 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 27.06.2022 № 129-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 33. Pension payments at the expense of voluntary pension contributions

1. The right to the pension payments from the unified pension savings fund and (or) voluntary pension savings fund of the following persons, having the pension savings in a unified pension savings fund and (or) voluntary pension savings fund at the expense of voluntary pension contributions shall arise as follows:

- 1) reached the age of fifty;
- 2) persons with disabilities;
- 3) leaving or left for the permanent place of residence beyond the Republic of Kazakhstan, the foreigners and persons without citizenship, presenting the documents,

determined by the legislation of the Republic of Kazakhstan, approving intendment or the fact of departure.

4) having pension savings within the amounts of voluntary pension contributions and the investment income credited on them, placed with the unified pension savings fund and (or) voluntary accumulative pension fund, for at least five years.

2. In case of the death, the persons, having the pension savings in a unified pension savings fund and (or) voluntary pension savings fund, shall be inherited according to the procedure, established by the legislation of the Republic of Kazakhstan at the expense of voluntary pension contributions.

3. The procedure for receiving pension payments from voluntary pension contributions shall be determined by the recipient independently in accordance with the pension rules of the unified pension savings fund and (or) voluntary pension savings fund.

Footnote. Article 33 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 02.01.2021 No. 399-VI (effective from 01.05.2021); dated 02.01.2021 No. 399-VI (effective from 01.05.2021); dated 27.06.2022 № 129-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

Chapter 5. LEGAL STATUS OF THE UNIFIED PENSION SAVINGS FUND

Article 34. Organization of activity of the unified pension savings fund

Paragraph 1 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of paragraph 1 is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (see subparagraph 3) of Art. 2 for the procedure of enforcement).

1. The unified accumulative pension fund carries out an attraction of compulsory pension contributions, compulsory professional pension contributions, voluntary pension contributions and ensures the implementation of pension payments.

Other persons are prohibited from attracting compulsory pension contributions, compulsory professional pension contributions.

2. A unified pension savings fund shall be established in the form of joint-stock society, being a noncommercial organization.

3. The name of the unified pension savings fund shall contain the words “unified pension savings fund”.

Abbreviation of the name of unified pension savings fund shall be allowed with the use in the name the abbreviations “UPSF”.

4. Legal persons, except of the unified pension savings fund, shall be prohibited to use in their name the words “unified pension savings fund” in full and abridgment in any language.

5. The sole shareholder of the unified pension savings fund shall be the Government of the Republic of Kazakhstan.

6. Trust management of actions of the unified pension savings fund, belonging to the Government of the Republic of Kazakhstan shall be exercised by the National Bank of the Republic of Kazakhstan.

7. Bodies of the unified pension savings fund, their functions and powers, procedure of formation and adoption of decisions by them shall be determined by this Law, the Government of the Republic of Kazakhstan, charter and internal documents of the unified pension savings fund.

The board of directors of the unified accumulative pension fund on a permanent basis with the right to vote includes a representative of the National Bank of the Republic of Kazakhstan.

8. A unified pension savings fund shall have a right to:

1) attract the voluntary pension contributions;

2) receive a commission for own activity;

3) represents the interests of the contributor (recipient) in a court according to the procedure, provided by the legislation of the Republic of Kazakhstan on issues, linked with the retirement insurance;

4) rent the property, received for own needs;

5) open branches and representative offices;

6) exercise other rights in accordance with agreements on trust management of pension assets, custodial agreements, pension rules of the unified pension savings fund;

9. A unified pension savings fund shall be obliged to:

Subparagraph 1) is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 1) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (the order of enforcement see paragraph 3) of Art. 2).

1) attract the compulsory pension contributions, compulsory profession pension contributions;

1-1) to carry out crediting and accounting for voluntary pension contributions formed from the unclaimed amount of guarantee compensation on a guaranteed deposit, transferred by an organization that provides mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan On mandatory guarantee of deposits placed with second-tier banks of the Republic of Kazakhstan;

2) make pension payments to recipients and (or) authorized operator in the manner determined by the Government of the Republic of Kazakhstan;

3) to carry out individual accounting of pension savings, including those held in trust by the investment portfolio manager, as prescribed by the regulatory legal act of the authorized body, and payments;

Clause 9 is provided to be supplemented by subparagraph 3-1) in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

Subparagraph 4) is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

This edition of subparagraph 4) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (the order of enforcement see paragraph 3) of Art. 2).

4) provide information to the contributor (recipient) on state of its pension savings at least once a year, as well as upon the request on any requested date without recovery of payment and ensure the electronic and other methods of access to information on its pension savings in recognition of regulations, provided by Article 57 of this Law.

The method of transfer the information on state of pension savings by the unified pension savings fund shall be determined by the pension rules of the unified pension savings fund.

A unified pension savings fund shall not direct the information on state of pension savings over the past year to the contributor (recipient) in the cases of lack of money in the individual pension account as of 1 January of the current year or non-notification on change of place of residence by the contributor (recipient) of the unified pension savings fund in accordance with the pension rules of the unified pension savings fund;

4-1) interact with the State Corporation on accounting, transfer, return, termination of pension payments in the manner determined by the Government of the Republic of Kazakhstan;

4-2) without charging, to submit to individuals specified:

in paragraph 1-1 of Article 31 and paragraph 1-1 of Article 32 of this Law, information on the amount of pension contributions due to compulsory pension contributions, compulsory professional pension contributions available for one-time pension payments;

in paragraph 5 of Article 35-1 of this Law, information on the amount of pension contributions due to compulsory pension contributions, compulsory professional pension contributions available for transfer to the trust management of the investment portfolio manager.

The method of transmission by the unified pension savings fund of information on the state of pension savings is determined by the pension rules of the unified pension savings fund;

4-3) interact with the authorized operator on the accounting, transfer, payment and return of lump sum pension payments in the manner determined by the Government of the Republic of Kazakhstan;

4-4) to interact with the organization that provides mandatory guarantee of deposits , in the manner prescribed by the agreement concluded between the unified pension savings fund and the organization that provides mandatory guarantee of deposits;

5) publish information in the mass media, as well as in its own web-site, information on investment portfolio profile of the unified pension savings fund at the expense of pension assets according to the procedure and terms, established by the regulatory legal acts of the authorized body;

5-1) disclose information about investment portfolio managers, including the list of investment portfolio managers with whom the unified pension savings fund concluded agreements on trust management of pension assets, in the manner and to the extent established by the regulatory legal act of the authorized body;

5-2) annually, not later than one month before the beginning of the calendar year, place in the media at least two printed publications in Kazakh and Russian, as well as on their own Internet resource, thresholds for the minimum sufficiency of pension savings, calculated and valid for oncoming year;

6) provide gratuitous advisory services to depositors (recipients) on the issues of functioning of the pension system and the management of the investment portfolio;

Subparagraph 7) is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

7) ensure confidentiality of information on state of pension savings of the contributor (recipient);

8) bear responsibility for violation of the legislation of the Republic of Kazakhstan on retirement insurance and pension rules of the unified pension savings fund in accordance with the Law of the Republic of Kazakhstan;

9) transfer the pension savings of the contributor (recipient) to the insurance organization according to the procedure, provided by this Law and regulatory legal act of the authorized body;

9-1) transfer pension assets to trust management of the investment portfolio manager upon receipt of an application from a contributor, an individual for whom mandatory occupational pension contributions are listed, about (on) choosing (changing) an investment portfolio manager in accordance with Article 35-1 of this Law , in the absence of grounds for denying such transfer;

Note!

Paragraph 9 is provided to be supplemented with subparagraph 9-2 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 No. 138-VII (effective from 01.01.2024).

10) conclude an agreement on trust pension assets management with the National Bank of the Republic of Kazakhstan;

10-1) conclude an agreement on trust management of pension assets with an investment portfolio manager, as well as a custody agreement with an investment portfolio manager and a custodian bank;

11) transfer the pension savings of the contributor (recipient) at the expense of voluntary pension contributions to the voluntary pension savings fund according to the procedure, provided by this Law and regulatory legal acts of the authorized body;

12) publish a financial accountability and audit report in the mass media and post on its own web-site according to the procedure and terms, established by the authorized body and the legislation of the Republic of Kazakhstan on book records and financial accountability, other accounts and information on its activity according to the procedure, determined by the authorized body. Upon that publication of information, containing the guarantees and promises of incomes on contributions to the unified pension savings fund, as well as other information, prohibited by the legislation of the Republic of Kazakhstan shall not be allowed;

13) submit an annual report on the activities of the unified accumulative pension fund for consideration by the Council for Management of the National Fund of the Republic of Kazakhstan;

14) provide the equal conditions to all its contributors (recipients);

Subparagraph 15) is provided for in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

15) exchange information between the information systems of the central executive body and the unified accumulative pension fund on movements under individual pension accounts in the manner, determined by the central executive body;

16) use the certified hardware and software in its activity;

17) have a reserve center for information storage;

18) carry out an audit of program and technical support, including informative, communications systems and technologies, used by the unified pension savings fund in its activity, at least once every three years;

19) have an internal audit service.

20) transfer pension assets from the trust management of the investment portfolio manager to the trust management of the National Bank of the Republic of Kazakhstan

when the depositor, the individual for whom the mandatory occupational pension contributions are listed, reaches the retirement age in accordance with paragraph 1 of Article 11 of this Law;

21) transfer pension assets from the trust management of the investment portfolio manager to the trust management of the National Bank of the Republic of Kazakhstan when the heirs apply to the unified pension savings fund for pension payments in the event of the death of the depositor.

10. In order of protection of rights and interests of the contributors (recipients) a unified pension savings fund shall be prohibited:

1) carrying out of other entrepreneurial activity, except of the types of activity, provided by this Law;

2) use of pension assets for the purposes, not provided by the legislation of the Republic of Kazakhstan;

3) rendering of financial assistance without compensation at the expense of its own assets of the unified pension savings fund, except of the financial assistance to its employees to the amount, not exceeding 100-fold amount of the monthly calculation index, established on the relevant financial year by the Law on republican budget;

4) pledge pension assets, with the exception of cases of making margin or other collateral when concluding transactions with financial instruments on organized and unorganized securities markets;

4-1) pledge of own assets, with the exception of cases of making margin or other collateral when concluding transactions with financial instruments on organized and unorganized securities markets, as well as collateral when participating in tenders and (or) competitions;

5) issue of securities, except of the shares;

6) proceeds from borrowings;

7) provision of loans by any means, with the exception of the acquisition of financial instruments permitted to be acquired at the expense of pension assets of the unified pension savings fund, also carrying out transactions for the provision of loans with secured securities;

8) issue of warranties and guarantees of any kind;

9) attract persons for performing the duties, specified in subparagraph 6) of paragraph 9 of this Article, with whom the labor contract or agreement with the National Postal Operator has not been concluded by the unified accumulative pension fund;

10) participation in creation and activity of legal entities, except of the cases, established by the regulatory legal act of the authorized body.

The requirements of this paragraph shall not apply to "repo" transactions with securities carried out at the expense of pension assets and (or) own assets of the unified pension savings fund.

Footnote. Article 34 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 29.09.2014 No. 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 09.04.2016 No. 499-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 02.07.2018 № 165-VI (shall be enforced from 01.07.2018); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (enforcement, Article 2); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 35. The procedure for managing the pension assets of the unified pension savings fund by the National Bank of the Republic of Kazakhstan. Investment declaration of the unified pension savings fund

Footnote. The heading of Article 35 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.01.2021).

1. Trust management of pension assets of the unified pension savings fund shall be carried out by the National Bank of the Republic of Kazakhstan on the basis of agreement on trust management, concluded between the National Bank of the Republic of Kazakhstan and unified pension savings fund.

1-1. The National Bank of the Republic of Kazakhstan develops a list of financial instruments allowed for acquisition at the expense of the pension assets of the unified pension savings fund, and also develops and approves the investment declaration of the unified pension savings fund.

2. National Bank of the Republic of Kazakhstan may instruct to other person to commit actions, necessary for management of trusted him (her) pension assets in accordance with an agreement to investment assets management and this Law. Upon that the trust manager shall be responsible for the actions of chosen by them attorney as for his own.

2-1. The functions of the Council for the management of the National Fund of the Republic of Kazakhstan in the part of managing the pension assets of a unified accumulative pension fund shall be:

- 1) development of proposals for improving management effectiveness;
- 2) consideration and development of proposals on the directions of investment;

3) development of proposals for determining the list of financial instruments, allowed to purchase at the expense of pension assets from the unified accumulative pension fund;

4) consideration of the annual report on the activities of the unified accumulative pension fund.

3. The investment declaration is drawn up taking into account the list of financial instruments, allowed to purchase at the expense of pension assets from the unified accumulative pension fund.

Footnote. Article 35 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (effective from 01.01.2021).

Article 35-1. The procedure for managing pension assets held in trust with the investment portfolio manager, and also keeping and accounting for pension assets held in trust with the investment portfolio manager

1. Trust management of pension assets by the investment portfolio manager shall be based on the agreement on trust management of pension assets concluded between the unified pension savings fund and the investment portfolio manager (hereinafter - agreement on trust management of pension assets).

2. The unified pension savings fund shall conclude an agreement on trust management of pension assets with the investment portfolio manager and, within one working day after the conclusion of the agreement on trust management of pension assets, place information on its Internet resource on such an investment portfolio manager in accordance with subparagraph 5-1) paragraph 9 of Article 34 of this Law.

3. The standard form of the agreement on trust management of pension assets is established by the regulatory legal act of the authorized body.

The agreement on trust management of pension assets shall enter into force from the date of receipt of pension assets to the accounts in the custodian bank referred to in paragraph 11 of this article.

4. In the event of a negative difference between the nominal return on pension assets received by the investment portfolio manager and the minimum value of the return on pension assets calculated in accordance with this Law and the regulatory legal act of the authorized body, the investment portfolio manager shall reimburse the single pension savings fund for this negative difference at the expense of own capital in the manner and terms established by the regulatory legal act of the authorized body, for the subsequent transfer of this amount to depositors, individuals for whom mandatory occupational pension contributions are listed, whose pension savings were in trust management of this investment portfolio manager as of the end of the year, preceding the year in which the reimbursement is made.

5. The unified pension savings fund shall transfer pension assets to trust management of the investment portfolio manager on the following conditions:

1) presence of a written application of the contributor, an individual for whom the mandatory occupational pension contributions are listed, on (for) the choice (change) of the investment portfolio manager in the form and with the attachment of the documents established by the internal documents of the unified pension savings fund;

2) existence of an agreement on trust management of pension assets, as well as a custodial agreement concluded between the unified pension savings fund, the investment portfolio manager and the custodian bank;

3) pension savings of a contributor, an individual for whom mandatory occupational pension contributions are listed, subject to transfer to trust management of an investment portfolio manager:

do not exceed the difference between the actual pension savings amount of a contributor, an individual, for whom mandatory occupational pension contributions are listed, and the minimum sufficiency threshold of pension savings of a contributor, an individual, for whom mandatory occupational pension contributions are transferred;

or

do not exceed the amount of pension savings due to mandatory pension contributions and (or) mandatory occupational pension contributions on their individual pension accounts in the event that a pension annuity agreement has been concluded with an insurance company;

4) the investment portfolio manager, specified in the application of the investor, individual, for whom the mandatory occupational pension contributions are transferred, shall meet the requirements established by the regulatory legal act of the authorized body.

6. The unified pension savings fund shall transfer pension assets to trust management of the investment portfolio manager within thirty calendar days after the date of receipt of the application referred to in subparagraph 1) of paragraph 5 of this article, in the sum corresponding to the amount of pension savings specified in this application, with account of the restriction established by subparagraph 3) of paragraph 5 of this article.

In cases of non-fulfillment of the conditions specified in part one of this paragraph, and (or) presenting of an incomplete package of documents, the unified pension savings fund, within five working days after the date of receipt of the application referred to in subparagraph 1) of paragraph 5 of this article, denies the transfer of pension assets in trust management of the investment portfolio manager.

7. The investment portfolio manager shall not transfer pension assets that are in his trust management to another person for trust management.

8. An agreement on trust management of pension assets shall be terminated in the following cases:

1) non-elimination by the investment portfolio manager of the grounds for applying supervisory response measures within the time frames established by the authorized body;

2) non-compliance of the investment portfolio manager with the requirements established by the authorized body for managing pension assets in accordance with subparagraph 1-3) of Article 8 of this Law (in case of the investment portfolio manager exclusion from the register of investment portfolio managers that meet the requirements of the authorized body for the pension assets management);

3) on the initiative of the investment portfolio manager, provided that he does not have pension assets and liabilities on them in trust management;

4) suspension or revocation of the license of the custodian bank that keeps and accounts for pension assets held in trust by the investment portfolio manager, and failure to conclude a new custodial agreement with another custodian bank within ten calendar days after the date of suspension or revocation of the custodian bank's license.

9. When terminating the agreement on trust management of pension assets, the investment portfolio manager shall carry out procedures for transferring pension assets to the trust management of the National Bank of the Republic of Kazakhstan in the manner and within the terms established by the regulatory legal act of the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

10. The legislative norms of the Republic of Kazakhstan on the securities market shall apply to investment portfolio managers in the part that does not contradict this Law.

11. Pension assets held in trust by the investment portfolio manager shall be kept and accounted for in the accounts of the unified pension savings fund in the custodian bank, which is chosen by the investment portfolio manager.

Keeping and accounting of pension assets transferred to investment management by one investment portfolio manager must be carried out by one custodian bank.

The standard form of a custodial agreement concluded between the unified pension savings fund, an investment portfolio manager and a custodian bank is established by the regulatory legal act of the authorized body.

Features of storage and accounting of pension assets held in trust by the investment portfolio manager are established by the legislation of the Republic of Kazakhstan on the securities market.

Footnote. The Law is supplemented by Article 35-1 in accordance with the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.01.2021). Article 36. The Council for the management of pension assets of the unified accumulative pension fund

Footnote. Article 36 is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Article 37. Agreements on retirement insurance at the expense of compulsory pension contributions, compulsory profession pension contributions of the contributor (recipient) with the unified pension savings fund

Footnote. The title of Article 37 is in the wording of the Law of the Republic of Kazakhstan dated 10.01.2014 № 156-V (shall be enforced from 01.01.2014).

1. Agreements on retirement insurance at the expense of compulsory pension contributions, compulsory profession pension contributions which establish the rights, obligations, responsibility and other legal relations of the unified pension savings fund and contributors (recipients), shall be developed by the unified pension savings fund on the basis of pension rules of the unified pension savings fund, approved by the Government of the Republic of Kazakhstan.

2. Opening of an individual pension account with the unified pension savings fund for bookkeeping of mandatory pension contributions, mandatory occupational pension contributions shall be carried out on the basis of lists of individuals submitted by agents to the unified pension savings fund when transferring mandatory pension contributions, mandatory occupational pension contributions in the manner determined by the Government Republic of Kazakhstan.

2-1. Excluded by the Law of the Republic of Kazakhstan dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication).

3. The unified pension savings fund shall send an electronic notification of the opening of an individual pension account for accounting for mandatory pension contributions, mandatory occupational pension contributions to the State Corporation for entering information about the agreement on pension provision at the expense of mandatory pension contributions, mandatory occupational pension contributions to the unified list of individuals who have concluded an agreement on pension provision at the expense of mandatory pension contributions, mandatory occupational pension contributions.

A contributor of mandatory pension contributions, an agent and an individual for whom the mandatory occupational pension contributions are transferred shall be considered a party to the pension agreement at the expense of mandatory pension contributions, mandatory occupational pension contributions from the day the unified pension savings fund receives an electronic notification from the State Corporation of entering information about agreement on pension provision at the expense of mandatory pension contributions, mandatory occupational pension contributions to the

unified list of individuals who have entered into an agreement on pension provision at the expense of mandatory pension contributions, mandatory occupational pension contributions.

Footnote. Article 37 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication).

Article 38. Storage and recording of pension assets of a pension savings fund

1. Pension assets of the unified pension savings fund shall be stored and considered in the accounts of the National Bank of the Republic of Kazakhstan in accordance with the custodial agreement, concluded between the National Bank of the Republic of Kazakhstan and unified pension savings fund.

2. The National Bank of the Republic of Kazakhstan has the right to open accounts with foreign custodians in order to record and store pension assets of the unified accumulative pension fund.

3. National Bank of the Republic of Kazakhstan shall carry out control of objective placement of pension assets of the unified pension savings fund according to the procedure, established by the regulatory legal acts of the authorized body.

4. National Bank of the Republic of Kazakhstan shall maintain a record of all operations on accumulation of pension assets, their placement, reception of investment income according to the procedure, established by the regulatory legal act of the authorized body, and shall monthly inform a unified pension savings fund on state of its accounts.

Footnote. Article 38 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Article 39. The rights and obligations of depositors, individuals for whom mandatory pension contributions have been made, mandatory employer pension contributions, mandatory occupational pension contributions, and agents are listed

1. Contributors of mandatory pension contributions, individuals for whom mandatory occupational pension contributions, voluntary pension contributions have been listed, recipients from the unified pension savings fund shall have the right to:

1) receive information on the status of their pension savings;

1-1) receive information on the amount of pension contributions due to compulsory pension contributions, compulsory professional pension contributions available for one-time pension payments and (or) transfer to the trust management of the investment portfolio manager;

2) appeal, in accordance with the laws of the Republic of Kazakhstan, the decisions, actions (inaction) of the unified pension savings fund;

3) receive pension payments from a unified accumulative pension fund in the manner, prescribed by the legislation of the Republic of Kazakhstan at the time of pension payments;

4) bequeath their pension savings in accordance with the legislation of the Republic of Kazakhstan;

4-1) submit to the unified pension savings fund an application for choosing an investment portfolio manager to transfer pension savings to him for trust management in an amount not exceeding the difference between the actual amount of pension savings of the contributor, an individual for whom mandatory occupational pension contributions are transferred, and the minimum sufficiency threshold of pension savings of a contributor, an individual for whom mandatory occupational pension contributions are listed, in the manner determined by the regulatory legal act of the authorized body;

4-2) no more than once a year, submit an application for changing the investment portfolio manager to transfer their pension savings to trust management from one investment portfolio manager to another investment portfolio manager in the manner determined by the regulatory legal act of the authorized body;

4-3) submit an application to the unified pension savings fund for the return of pension savings held in trust by the investment portfolio manager to trust management of the National Bank of the Republic of Kazakhstan (not earlier than two years after the initial transfer of pension savings to trust management by the investment portfolio manager);

4-4) receive information from the unified pension savings fund on investment portfolio managers and other information provided for by the internal documents of the unified pension savings fund;

5) conclude a pension annuity contract with an insurance company at the expense of own pension savings;

6) conclude a contract on pension provision at the expense of voluntary pension contributions with a unified accumulative pension fund and (or) a voluntary accumulative pension fund;

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

2. Citizens of the Republic of Kazakhstan shall have the right to participate in legal relations for the payment of compulsory pension contributions:

1) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

1-1) receiving income under the contracts of civil-legal, the subject of which is performance of works (rendering of services), concluded with individuals who are not tax agents;

2) working in the representations of international organizations in the Republic of Kazakhstan, diplomatic missions and consular offices of foreign states, accredited in the Republic of Kazakhstan;

3) working outside the Republic of Kazakhstan.

3. If an individual has an open individual pension account in the unified pension savings fund for accounting for mandatory occupational pension contributions, the re-opening of an individual pension account for accounting for mandatory occupational pension contributions shall not be carried out.

Alongside this, an agent who has paid mandatory occupational pension contributions in favor of an individual shall be considered a party to the pension agreement at the expense of mandatory occupational pension contributions from the day the mandatory occupational pension contributions are credited to a previously opened individual pension account for the bookkeeping of mandatory occupational pension contributions.

4. shall be enforced from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V.

5. shall be enforced from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V.

6. shall be enforced from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V.

7. Contributors of compulsory pension contributions, individuals for whom compulsory professional pension contributions have been paid, and recipients of pension payments from a unified accumulative pension fund shall be obliged to:

1) report to the unified accumulative pension fund all changes, affecting the performance of the obligations of the unified accumulative pension fund within ten calendar days from the date of such changes in the manner, established by the Government of the Republic of Kazakhstan;

2) conclude a pension annuity contract in the cases, provided for by subparagraph 1) of paragraph 1 of Article 32 of this Law;

3) fulfill other obligations in accordance with the legislation of the Republic of Kazakhstan on pension provision.

8. shall be enforced from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 №. 342-V.

Paragraph 9 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

9. Agents shall have the right to receive confirmation from the State Corporation on the presence at the employee of an individual pension account in the manner, determined by the Government of the Republic of Kazakhstan.

Paragraph 10 is provided as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

10. Agents, with the exception of individuals who are payers of a single aggregate payment in accordance with Article 774 of the Code of the Republic of Kazakhstan " On taxes and other obligatory payments to the budget" (Tax Code), are obliged to:

1) timely calculate, withhold (charge) and pay compulsory pension contributions, compulsory professional pension contributions to a unified accumulative pension fund;

2) submit to the state revenue authorities lists of individuals in favor of whom the debt on compulsory pension contributions, compulsory professional pension contributions is collected, within the time limits established by paragraph 4-1 of Article 28 of this Law.

Footnote. Article 39 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 17.11.2015 № 408-IV (shall be enforced from 01.03.2016); dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 29.06.2020 No. 351 -VI (effective from 01.07.2021); dated 02.01.2021 No. 399-VI (enforcement, see Article 2); dated 12.10.2021 No. 67-VII LRK (shall be enforced ten calendar days after the date of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 40. Agreement on pension provision at the expense of voluntary pension contributions of the contributor (recipient) with the unified pension savings fund

1. Agreements on pension provision at the expense of voluntary pension contributions establish the rights, obligations, responsibilities and other legal relations of the unified pension savings fund and contributors (beneficiaries).

The procedure for concluding and the standard form of an agreement on pension provision at the expense of voluntary pension contributions are determined by the regulatory legal act of the authorized body.

2. The opening of an individual pension account with the unified pension savings fund for accounting for voluntary pension contributions shall be carried out on the basis of lists of individuals submitted by agents to the unified pension savings fund when transferring voluntary pension contributions in the manner determined by the regulatory legal act of the authorized body.

3. The opening of an individual pension account with the unified pension savings fund for accounting for voluntary pension contributions shall be carried out on the basis of the initial contribution received by the unified pension savings fund from an individual in his favor or in favor of a third person when transferring voluntary pension contributions in the manner prescribed by a regulatory legal act of the authorized body.

4. The contributor (beneficiary) shall be considered a party to the agreement on pension provision at the expense of voluntary pension contributions from the date of receipt of the voluntary pension contribution amount.

5. In case of transfer by an organization carrying out mandatory guarantee of deposits, to the unified pension savings fund of the unclaimed amount of guarantee compensation on the guaranteed deposit of the contributor (recipient), the agreement on pension provision at the expense of voluntary pension contributions shall be concluded on the basis of the list of contributors (beneficiaries) with unclaimed amounts of guarantee compensation on guaranteed deposits, submitted by an organization that provides mandatory guarantee of deposits, in the manner and terms established by the agreement concluded between the unified pension savings fund and the organization that provides mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan On mandatory guarantee of deposits placed with second-tier banks of the Republic of Kazakhstan.

Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.05.2021).

Chapter 6. LEGAL STATUS OF THE VOLUNTARY PENSION SAVINGS FUNDS

Article 41. Organization of activity of the voluntary pension savings funds

1. A voluntary pension savings fund shall be created in the form of joint-stock society.

A voluntary pension savings fund shall carry out an activity on the basis of a license to portfolio management with the right of attraction of voluntary pension contributions, issued by the authorized body, and shall attract the voluntary pension contributions according to the procedure and on conditions, established by the regulatory legal act of the authorized body and an agreement on retirement insurance at the expense of voluntary pension contributions.

2. The resident individual of the Republic of Kazakhstan, legal entities may be the contributors and (or) shareholders of the voluntary pension savings fund.

A voluntary pension savings fund may be act as the contributor or shareholder of other voluntary pension savings fund.

3. The name of the voluntary pension savings fund shall contain the words “voluntary pension savings funds”.

Abbreviation of the name of the voluntary pension savings fund with the use in the name the abbreviation “VPSF” shall be allowed.

Legal entities, except of the voluntary pension savings fund shall be prohibited to use the words “voluntary pension savings fund” in its name in full or abridgment in any language.

4. Voluntary pension savings fund shall have a right to:

- 1) attract the voluntary pension contributions;
- 2) receive commission remuneration for its activity;
- 3) represent the interests of the contributor (recipient) on issues, linked with the retirement insurance on its written request in a court according to the procedure, provided by the legislation of the Republic of Kazakhstan;
- 4) rent the property, received for own needs;
- 5) manage the pension assets of the unified pension savings fund in accordance with the agreement on investment assets management, concluded with the National Bank of the Republic of Kazakhstan;
- 6) independently carry out broker and (or) dealing activity on the security market without the right of maintenance the clients’ accounts as the nominee shareholder on the basis of a license, issued by the authorized body;
- 7) exercise other rights according to the legislation of the Republic of Kazakhstan and conditions of agreement on retirement insurance at the expense of voluntary pension contributions.

5. Voluntary pension savings fund shall be obliged to:

- 1) make the pension payments to the recipients according to the procedure, established by the agreement on retirement insurance at the expense of voluntary pension contributions;
- 2) carry out an individual record of pension savings and payments;
- 3) provide information to the contributor (recipient) on state of its pension savings according to the procedure, provided by the agreement on retirement insurance at the expense of voluntary pension contributions, and shall provide an electronic and other access methods to information on its pension savings in recognition of regulations, provided by Article 57 of this Law.

Method of transmission of information by the voluntary pension savings fund on state of pension savings shall be determined in agreement with the contributor (recipient);

- 4) render the consulting services to the contributors (recipients), as well as persons, intended to conclude an agreement on retirement insurance at the expense of voluntary pension contributions with the voluntary pension savings fund, on issues of functioning of the defined contribution pension system and activity on portfolio management;

5) ensure confidentiality of information on state of pension savings of the contributor (recipient);

6) bear responsibility for violation of the legislation of the Republic of Kazakhstan on retirement insurance and conditions of agreement on retirement insurance at the expense of voluntary pension contributions in accordance with the Laws of the Republic of Kazakhstan;

7) transfer the pension savings of the contributor (recipient) to other voluntary pension savings fund or unified pension savings fund, or insurance organization according to the procedure, provided by this Law and regulatory legal acts of the authorized body;

8) publish a financial accountability and audit report in the mass media and post on its own web-site according to the procedure and terms, established by the authorized body and the legislation of the Republic of Kazakhstan on book records and financial accountability, other accounts and information on its activity according to the procedure, determined by the authorized body. Upon that publication of information, containing the guarantees and promises of incomes on contributions to the voluntary pension savings fund, as well as other information, prohibited by the legislation of the Republic of Kazakhstan shall not be allowed;

9) exercise other obligations according to the legislation of the Republic of Kazakhstan and conditions of agreement on retirement insurance at the expense of voluntary pension contributions.

6. In order of protection of rights and interests of the contributors, a voluntary pension savings fund shall be prohibited to:

1) make transactions, in the results of which the requirements, established by the legislation of the Republic of Kazakhstan is violated;

2) carry out an entrepreneurial activity, except of the types of activity, established by this Article;

3) use the pension assets to the purposes, not provided by the legislation of the Republic of Kazakhstan;

4) adopt the investment decisions on gratuitous alienation of the pension assets;

5) use the pension assets for ensuring performance of own obligations and obligations of third persons, not related with activity on management of retirement portfolio;

6) sell (transfer) assets, belonging to it, to the composition of pension assets;

7) sell assets on credit;

8) receive money or other returnable property on conditions of loan agreements at the expense of the pension assets, except of the cases of settlement of transactions with financial instruments in the trade systems of organizers of the auctions in accordance with the investment thesis;

9) acquire the pension assets, that it manages, except for the cases of compensation of expenses and reception of compensation in accordance with an agreement on retirement insurance at the expense of voluntary pension contributions and investment thesis;

10) specify information in advertisement and mass media on earning capacity of pension assets of the voluntary pension savings fund for the period of less than one year;

11) pledge the pension and (or) own assets;

12) issue securities, except of the shares;

13) provide loans by any means, except of the acquisition of debt securities by the voluntary pension savings fund.

7. In order to ensure the financial stability and solvency of voluntary accumulative pension funds, prudential standards that are mandatory for compliance are established. The list of prudential standards, their normative values, the calculation methodology are established by the regulatory legal acts of the authorized body.

The list, forms of reporting on the fulfillment of prudential standards by a voluntary accumulative pension fund, the terms and procedure for submitting it to the National Bank of the Republic of Kazakhstan are established by a regulatory legal act of the National Bank of the Republic of Kazakhstan in agreement with the authorized body.

Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Article 42. An agreement on retirement insurance at the expense of voluntary pension contributions of the contributor (recipient) with the voluntary pension savings fund

An agreement on retirement insurance at the expense of voluntary pension contributions shall be concluded between the voluntary pension savings fund and contributor (recipient) in a written form in accordance with the model agreement on retirement insurance at the expense of the voluntary pension contributions.

Procedure of conclusion and model form of agreement on retirement insurance shall be established at the expense of voluntary pension contributions by the regulatory legal act of the authorized body.

Article 43. Storage and recording of pension assets of a voluntary pension savings fund in the custodian bank

1. Pension assets of the voluntary pension savings fund shall be stored and considered on the accounts in the custody, not affiliated with the voluntary pension savings fund in accordance with the custodian agreement.

2. Custodian agreement shall be concluded between the custodian bank and voluntary pension savings fund.

3. The form of custodian model agreement shall be developed and approved by the authorized body.

4. The custodian Bank shall carry out control for the placement of pension assets of voluntary accumulative pension fund and be obliged to immediately notify the authorized body, the voluntary accumulative pension fund and the stock exchange, if the transaction is concluded in its trading system, of the non-compliance of the transaction with the legislation of the Republic of Kazakhstan.

5. The custodian bank shall maintain a record of all operations on accumulation the pension assets, its placement, reception of investment income and shall monthly inform a voluntary pension savings fund on state of its accounts.

6. A voluntary pension savings fund shall have the one custody.

7. A custodian agreement shall be terminated on the basis of the relevant decision of the executive body of the voluntary pension savings fund in unilateral procedure on request of the voluntary pension savings fund with notification the custodian bank and termination of transfer procedure of the pension assets to the new custodian bank during twenty calendar days until intended date of termination.

8. A voluntary pension savings fund shall inform their contributors and agent by relevant publications in two print publications in Kazakh and Russian languages during thirty calendar days from the moment of conclusion the custodian agreement with the new custody.

9. The relevant agreement on transfer the pension contributions, receiving to it by the former custodian bank to the new custodian bank shall be concluded for the term up to six months from the date of termination of the custodian agreement between the voluntary pension savings fund, former and new custodian bank.

Footnote. Article 43 as amended by the Law of the Republic of Kazakhstan dated 24.11.2015 No. 422-V (shall be enforced from 01.01.2016).

Article 44. Pension rules and investment thesis of the voluntary pension savings fund

1. Pension rules of the voluntary pension savings fund shall include:

1) procedure of alteration and termination of agreements on retirement insurance at the expense of the voluntary pension contributions;

2) procedure and conditions of making the pension contributions and payments;

3) responsibility on obligations of the voluntary pension savings fund before the contributors (recipients);

4) procedure for informing on state of pension savings;

5) presentation of information to the contributors (recipients) on the shareholders of the voluntary pension savings fund and custodian bank;

6) other peculiarities of legal relations between the voluntary pension savings fund and contributors (recipients).

2. Investment of pension assets shall be independently carried out in accordance with the regulatory legal act of the authorized body and investment thesis.

3. Pension rules of the voluntary pension savings fund and investment thesis, as well as amendments and additions to it shall be approved by the management body of the voluntary pension savings fund.

Article 45. Reorganization of the voluntary pension savings fund

1. Reorganization of the voluntary pension savings fund shall be carried out by the decision of the general meeting of shareholders upon authorization of the authorized body in the form joining. Conditions and procedure of grant of permission to conduct the reorganization of the voluntary pension savings fund shall be established by the regulatory legal acts of the authorized body.

Peculiarities of conducting the reorganization of the voluntary pension savings fund with participation of the state, National Wealth Fund and (or) the authorized body shall be determined by the regulatory legal act of the authorized body.

Permission of the authorized body to conduct the reorganization shall act during nine months from the date of its issuance.

An application on obtaining a permit to conduct the reorganization of the voluntary pension savings fund shall include the following documents:

1) decision of general meeting of shareholders of the voluntary pension savings fund on its reorganization;

2) established the assumed conditions, procedure and terms of reorganization of the voluntary pension savings fund;

3) financial forecast of consequences of reorganization, including an account balance of the voluntary pension savings fund after its reorganization.

An application on obtaining a permit to reorganization of the voluntary pension savings fund shall be considered by the authorized body during three months from the date of presentation of complete package of documents.

2. Reorganized voluntary pension savings fund shall be obliged to inform on coming changes all of their contributors (recipients) by publication of advertisement in two print publications in Kazakh and Russian languages during fifteen calendar days from the date of obtaining a permit of the authorized body to conduct the reorganization.

3. Reorganized voluntary pension savings fund shall have a right to attract the voluntary pension contributions and make the pension payments on the basis of a license of the voluntary pension savings fund, adjoining other voluntary pension savings fund.

4. Pension assets and obligations of adjoined voluntary pension savings fund by agreements on retirement insurance shall subject to transmission to the reorganized voluntary pension savings fund at the expense of the voluntary pension contributions

according to the procedure, established by the regulatory legal acts of the authorized body.

Footnote. Article 45 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014).

Article 46. Dismissal of license to reorganization of the voluntary pension savings fund

Dismissal of license of the authorized body to reorganization of the voluntary pension savings fund shall be made on any of the following grounds:

- 1) violation in the result of supposed reorganization of the interests of the contributors (recipients);
- 2) violation as a result of the proposed reorganization of the requirements of the legislation of the Republic of Kazakhstan in the field of competition protection;
- 3) inconsistency of documents, represented for obtaining a permit of the authorized body to reorganization, to the requirements of the legislation of the Republic of Kazakhstan.

Footnote. Article 46 as amended by the Law of the Republic of Kazakhstan dated 29.10.2015 No. 376-V (shall be enforced from 01.01.2016).

Article 47. Liquidation of the voluntary pension savings fund

1. A voluntary pension savings fund shall be liquidated:

- 1) by the decision of the general meeting of the shareholders of the voluntary pension savings fund in existence of permission of the authorized body, issued according to the procedure, established by them;
- 2) under the court decision in the cases, provided by the legislative acts of the Republic of Kazakhstan.

2. Rules for conducting of voluntary or compulsory liquidation, as well as transfer of pension assets and obligations by agreements on retirement insurance shall be approved by the regulatory legal act of the authorized body at the expense of the voluntary pension contributions.

Article 48. Voluntary liquidation of the voluntary pension savings fund

1. An application of the voluntary pension savings fund on obtaining a permit to the voluntary liquidation shall be considered by the authorized body during three months from the date of reception of properly executed documents.

An application shall be attached the following documents:

- 1) decision of general meeting of shareholders on voluntary liquidation;
- 2) a documents, approving a lack of obligations of the voluntary pension savings fund, provided by the agreement on retirement insurance at the expense of the voluntary pension contributions;
- 3) bookkeeping balance sheet and explanatory note to it, certifying a lack of obligations, provided by agreement on retirement insurance at the expense of voluntary pension contributions;

4) an act of acceptance and transfer of pension assets and obligations of the voluntary pension savings fund by agreements on retirement insurance at the expense of the voluntary pension contributions;

5) the documents, approving a lack of obligations of the voluntary pension savings fund and current agreements on activity, carrying out on the basis of a license to portfolio management with the right of attraction the voluntary pension contributions and a license for carrying out other types of activity on the securities market. The list of the documents, specified in this subparagraph, shall be established by the regulatory legal acts of the authorized body.

The petition of the voluntary accumulative pension fund for obtaining permission to voluntary liquidation and the document, confirming absence at the voluntary accumulative pension fund of obligations provided by the contract on pension ensuring at the expense of voluntary pension contributions, and also obligations on all licenses available at the voluntary accumulative pension fund for carrying out activity in the securities market shall be signed by the first head of the voluntary accumulative pension fund.

2. In case of refusal in giving permission to the voluntary liquidation, an authorized body shall justify its decision and bring a refusal to the notice of leading employees and shareholders of the voluntary pension savings fund.

3. In case of deficiency of means for satisfaction of requirements of all creditors, a voluntary pension savings fund shall subject to the compulsory liquidation on the basis of bankruptcy.

Footnote. Article 48 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 24.05.2018 №. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 48-1. Refusal to issue a permit for voluntary liquidation of a voluntary accumulative pension fund

Refusal to issue a permit of the authorized body for voluntary liquidation of a voluntary accumulative pension fund shall be made on any of the following grounds:

- 1) non-submission of documents, specified in paragraph 1 of Article 48 of this Law ;
- 2) existence of liabilities and active contracts on the licensed types of activity;
- 3) insufficiency of funds for satisfaction of requirements of all creditors of voluntary accumulative pension fund.

Footnote. Chapter 6 is supplemented by Article 48-1 in accordance with the Law of the Republic of Kazakhstan dated 24.11.2015 No.422-V (shall be enforced from 01.01.2016).

Article 49. Peculiarities of termination of validity of a license to portfolio management with right of attraction of the voluntary pension contributions

1. In case of termination of a license to portfolio management with right of attraction of the voluntary pension contributions, a voluntary pension savings fund shall transfer the voluntary pension savings of the contributors (recipients) in a unified pension savings fund according to the procedure, established by the regulatory legal acts of the authorized body.

2. Voluntary return of the license to portfolio management with right of attraction the voluntary pension contributions shall be carried out on the basis of application of the voluntary pension savings fund and executed only after performance of all obligations under this type of activity by the voluntary pension savings fund.

3. Rules of the voluntary return of the license to portfolio management with right of attraction the voluntary pension contributions, as well as transfer of pension assets and obligations by agreements on retirement insurance shall be determined by the regulatory legal act of the authorized body at the expense of the voluntary pension contributions.

Chapter 7. PROCEDURE OF CARRYING OUT OF ACTIVITY OF THE UNIFIED PENSION SAVINGS FUND AND THE VOLUNTARY PENSION SAVINGS FUND

Article 50. Pension assets of the unified pension savings fund and the voluntary pension savings fund

1. Pension assets, formed from compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions, include pension contributions, investment income, funds, received as penalties and compensation for losses, minus commission.

2. The rights of individuals and legal entities to pension assets, formed at the expense of compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions belong to the category of proprietary rights, provided for by this Law.

3. Seizure or foreclosure on mandatory pension contributions, mandatory occupational pension contributions, penalties, pension assets and pension savings for the debts of the contributor (recipient), the State Corporation, the unified pension savings fund, the custodian bank and managers of the investment portfolio to which the pension assets were transferred on the basis of an agreement for investment asset management in accordance with paragraph 2 of Article 35 and Article 35-1 of this Law , shall not be allowed, including in cases of liquidation and (or) bankruptcy of the listed entities.

4. Pension assets, formed from compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions are used exclusively for:

1) placement in financial instruments, the list of which is determined by the National Bank of the Republic of Kazakhstan and the investment declaration;

1-1) placement in financial instruments permitted for acquisition at the expense of pension assets transferred to trust management by the investment portfolio manager in accordance with Article 35-1 of this Law;

2) making pension payments, including lump-sum pension payments in order to improve housing conditions and (or) pay for medical treatment in accordance with the legislation of the Republic of Kazakhstan;

3) transfer of pension payments in the insurance organization by agreement of the retirement annuity according to the procedure, provided by this Law and regulatory legal act of the authorized body;

3-1) transfer of pension assets to trust management of the investment portfolio manager in accordance with Article 35-1 of this Law;

4) transfer of pension savings at the expense of the voluntary pension contributions from the unified pension savings fund in the voluntary pension savings fund, from the voluntary pension savings fund in a unified pension savings fund, as well as from one of the voluntary pension savings fund to another voluntary pension savings fund;

5) return of incorrectly credited pension contributions and other credited money;

6) commission payment to the unified pension savings fund, voluntary pension savings fund in the cases and amount, established by this Law;

7) payment of brokerage commissions, exchange fees and other expenses related to the purchase or sale of financial instruments in organized and unorganized securities markets;

8) return of the unclaimed amount of the guarantee compensation from the individual pension account of the contributor (beneficiary) on the basis of a notification from the organization that provides mandatory guarantee of deposits, submitted in accordance with the Law of the Republic of Kazakhstan On mandatory guarantee of deposits placed with second-tier banks of the Republic of Kazakhstan.

5. In case of death of the recipient, as well as a person, having pension savings in a unified accumulative pension fund, a voluntary accumulative pension fund and not reached the retirement age in accordance with paragraphs 1-3 of Article 11 of this Law, his family or the person, who carried out the burial, shall be paid a lump sum payment for burial within the size of a 52.4-fold monthly calculation index, established for the relevant financial year by the Law on the republican budget, but no more than funds available on an individual pension account by a unified accumulative pension fund, a voluntary accumulative pension fund.

If the balance of pension savings on the individual pension account of the recipient after the implementation of a lump sum payment for burial will be an amount not exceeding the minimum pension, established for the relevant financial year by the Law on the republican budget, this balance shall be paid as a payment for burial.

Footnote. Article 50 as amended by the Laws of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 31.03.2014 No. 180-V (shall be enforced from 01.04.2014); dated 31.03.2014 No. 180-V (shall be enforced from 01.04.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020); dated 02.01.2021 No. 399-VI (enforcement, Article 2).

Chapter 7 is provided to supplement by Article 50-1 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2024).

Article 50-2. General financial agreement, settlements under which shall be carried out at the expense of own funds and (or) pension assets of a unified accumulative pension fund, voluntary accumulative pension fund

The provisions of paragraph 1 of Article 49, paragraphs 2, 4 and sub-paragraph 2) of paragraph 8 of Article 58 of this Law shall not apply to offsetting claims and (or) liquidation netting under a transaction (transactions) under a general financial agreement, the settlements under which are carried out at the expense of own funds and (or) pension assets of a unified accumulative pension fund, a voluntary accumulative pension fund.

The Parties to the major financial agreement shall (apply) set-off of requirements and (or) liquidation netting under the transaction (s) under the major financial agreement in the manner and on the terms defined in the major financial agreement.

A net requirement arising (calculated) as a result of the set-off of requirements and (or) liquidation netting carried out (applied) in the manner and on the terms defined in the major financial agreement shall be satisfied on a general basis in accordance with the rules of settlements with creditors established by this Law and the civil legislation of the Republic of Kazakhstan.

Footnote. Chapter 7 as added by Article 50-2 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 51. Recording and accounting in a unified pension savings fund and voluntary pension savings fund

1. The Unified Accumulative Pension Fund, in the manner prescribed by the legislation of the Republic of Kazakhstan, maintains accounting records and prepares

financial statements, and also submits financial and other statements, primary statistical data to the National Bank of the Republic of Kazakhstan separately for:

1) pension assets, formed from compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions;

2) is enacted from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V;

3) own funds, intended for financial and economic activities of the unified accumulative pension fund.

The voluntary accumulative pension fund maintains accounting records and prepares financial statements, as well as submits financial and other statements, primary statistical data separately on own funds and pension assets formed at the expense of voluntary pension contributions to the National Bank of the Republic of Kazakhstan in the manner prescribed by the legislation of the Republic of Kazakhstan .

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2. A record of pension savings shall be separately kept on the individual pension accounts of the contributors (recipients) at the expense of the compulsory pension contributions, compulsory profession pension contributions and voluntary pension contributions according to the procedure, determined by the authorized body.

Note!

Article 51 is provided to supplement with paragraphs 2-1 and 2-2 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

3. An automated information system in the form of software of the unified pension savings fund, voluntary pension savings fund shall be used for carrying out of a record of the pension assets and savings on the individual pension account and assurance of reliability, protection and information protection from unauthorized access.

Requirements to the automated information system for recording of pension assets and savings shall be specified by the regulatory legal act of the authorized body.

4. A record of pension savings shall be kept by the voluntary pension savings fund at the expense of the voluntary pension contributions of the contributors (recipients) according to the procedure, determined by the authorized body.

5. Control of correctness of record keeping of pension assets and charging of investment income to the contributors (recipient) shall be carried out by the authorized body.

6. A unified pension savings fund and voluntary pension savings fund shall be obliged to provide a record and documents custody, used in the book records and upon preparation of reporting. The list of the documents, subject to keeping, and terms of its keeping shall be established by the authorized body.

Footnote. Article 51 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020);

Article 52. The system of management of risks and internal control

A unified pension savings fund, voluntary pension savings fund shall form the system of management of risks and internal control, which shall contain:

- 1) powers and functional obligations on management of risks and internal control of the board of directors, government, subdivisions of the unified pension savings fund, voluntary pension savings fund, its responsibility;
- 2) internal policy and procedure on management of risks and internal control;
- 3) limits on the allowable amount of the risks;
- 4) internal procedure of presentation of accounts on management of risks and internal control of the bodies of unified pension savings fund, voluntary pension savings fund;
- 5) intrinsic criterion of systems effectiveness evaluation of risks management.

Procedure of formation the system of management of risks and internal control shall be established by the regulatory legal act of the authorized body.

Article 53. Commission fees of the National Bank of the Republic of Kazakhstan, unified pension savings fund, investment portfolio manager and voluntary pension savings fund

1. The amount of the unified pension savings fund's commission shall be set at 0.01 percent per month of pension assets.

2. The maximum amount of the commission fee of the National Bank of the Republic of Kazakhstan shall be set within no more than 2.0 percent of the investment income.

3. The maximum amount of the investment portfolio manager's commission fee shall be set within the limits not exceeding 7.5 percent of the investment income.

4. The maximum amount of the voluntary pension savings fund's commission shall be set within the limits not higher than:

- 1) 15 percent of investment income;
- 2) 0.05 percent per month from pension assets.

The procedure for collection and the amount of the commission fee of a voluntary pension savings fund shall be established by an agreement on pension provision at the expense of voluntary pension contributions.

5. The amount of the commission of the National Bank of the Republic of Kazakhstan shall be annually approved by the Board of the National Bank of the Republic of Kazakhstan.

The amount of the investment portfolio manager's commission shall be annually approved by the management body of this organization.

The commission amount of the National Bank of the Republic of Kazakhstan, the investment portfolio manager and the voluntary pension savings fund may change no more than once a year.

Footnote. Article 53 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective from 01.01.2021).

Article 54. An audit of the unified pension savings fund or voluntary pension savings fund

1. An audit of the unified pension savings fund or voluntary pension savings fund shall be performed by the audit organization, authorized to performance of an audit in accordance with the legislation of the Republic of Kazakhstan on auditing activity.

2. An audit report of financial accountability of the unified pension savings fund or voluntary pension savings fund shall not have a commercial secret.

3. According to the results of compulsory annual audit of the unified accumulative pension fund, the audit organization shall draw up three audit reports on:

1) pension assets, formed from compulsory pension contributions, compulsory professional pension contributions and voluntary pension contributions;

2) is enacted from 01.01.2024 by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V;

Subparagraph 3) is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

This edition of sub-paragraph 3) is valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (see subparagraph. 3) of Article 2 for the procedure of enforcement).

3) own funds;

According to the results of the compulsory annual audit of the voluntary accumulative pension fund, the audit organization shall draw up two audit reports on:

1) financial statements;

2) pension assets.

4. Annual audit report on the pension assets of the unified accumulative pension fund or voluntary accumulative pension fund includes checking the order of conducting accounting record and preparation of financial statements in respect of pension assets of the unified accumulative pension fund or voluntary accumulative pension fund in compliance with the requirements, established by the legislation of the Republic of Kazakhstan.

The expenses for the compulsory annual audit of the unified accumulative pension fund or the voluntary accumulative pension fund shall be carried out at the expense of

own funds of the unified accumulative pension fund or the voluntary accumulative pension fund.

Footnote. Article 54 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

Article 55. Requirements for the executive employees of a unified accumulative pension fund, voluntary accumulative pension fund

1. A unified accumulative pension fund, a voluntary accumulative pension fund, compulsorily create an internal audit service and form the following collegiate bodies:

- 1) Board of Directors - management body;
- 2) Administrative Board - the executive body.

The head and members of the management body, the head and members of the executive body, the chief accountant, with the exception of the first head and chief accountant of a separate unit of the unified accumulative pension fund or voluntary accumulative pension fund, other heads of the unified accumulative pension fund, voluntary accumulative pension fund, implementing coordination and (or) control over the activity of one or several structural units of the unified accumulative pension fund, voluntary accumulative pension fund and having the right to sign documents, submitted to the authorized body, provided for by regulatory legal acts of the authorized body, shall be recognized as executive employees of the unified accumulative pension fund and voluntary accumulative pension fund.

1-1. For the purposes of this Article, a candidate for the position of executive officer shall mean an individual who intends to hold the position of executive officer of a unified accumulative pension fund or voluntary accumulative pension fund, or a person elected to the position of the head or a member of a management body who is an independent director.

2. Cannot hold (cannot be appointed or elected to) the position of a senior executive of a unified accumulative pension fund or a voluntary accumulative pension fund person:

- 1) without higher education;
- 2) without seniority established by this article:

in international financial institutions, the list of which is established by the authorized body;

and (or) in the sphere of regulation, control and supervision of the financial market and financial institutions;

and/or in the provision of financial services;

and/or audit of financial institutions;

and (or) in state bodies that regulate and control in the field of economics and finance;

and (or) in the field of regulating audit services for financial institutions;

and/or in the field of software development used to automate the activities of financial institutions;

and (or) in foreign legal entities operating in the areas listed in this sub-clause;

3) without impeccable business reputation;

4) who withdrew his consent to appoint (elect) to the position of a senior employee and (or) who was removed from official duties in this and (or) in another financial organization, banking, insurance holding, branch of the non-resident bank of the Republic of Kazakhstan, branch of the non-resident insurance (reinsurance) organization of the Republic of Kazakhstan, branch of the non-resident insurance broker of the Republic of Kazakhstan.

This requirement shall apply within the last twelve consecutive months after the decision of the authorized body to withdraw consent to the appointment (election) to the position of a senior employee;

5) who committed a corruption crime or was subjected to administrative penalties for committing a corruption offense within three years before the date of filing an application for approval for a senior position.

A unified accumulative pension fund or a voluntary accumulative pension fund, when appointing (electing) managers, independently checks them for compliance with the requirements of this Article, including taking into account the information posted on the Internet resource of the authorized body.

Assessment of business reputation for the presence or absence of impeccable business reputation in relation to managers and candidates for positions of managers shall be carried out by the authorized body, including using motivated judgment.

3. In order to comply with the requirement provided for by subparagraph 2) of the first part of paragraph 2 of this Article, it is necessary to have employment experience for candidates for positions:

1) Head of the executive body of a unified accumulative pension fund or voluntary accumulative pension fund for at least five years, including at least three years in a senior position;

2) head of the management body of a unified accumulative pension fund or voluntary accumulative pension fund for at least five years, including at least two years in a leadership position;

3) a member of the executive body of a unified accumulative pension fund or voluntary accumulative pension fund for at least three years, including at least two years in a leadership position;

4) a member of the governing body of a unified accumulative pension fund or voluntary accumulative pension fund for at least two years, including at least one year in a senior position;

5) chief accountant of a unified accumulative pension fund or voluntary accumulative pension fund for at least three years;

6) other managers of a unified accumulative pension fund or a voluntary accumulative pension fund for at least one year.

It shall not be required for candidates for the positions of members of the executive body of a unified accumulative pension fund or a voluntary accumulative pension fund that supervise exclusively security issues, administrative and economic issues, information technology issues, the presence of work experience provided for in subparagraph 2) of the first part of paragraph 2 of this Article.

The work experience defined in this clause shall not include work in subdivisions of a financial organization related to ensuring its safety, carrying out administrative and economic activities, development of information technologies (with the exception of the head of the information technology development subdivision), work in a mutual insurance company and an organization carrying out microfinance activities.

For a member of the Government of the Republic of Kazakhstan, deputy head of the central executive body of the Republic of Kazakhstan, who shall be a candidate for the position of head of the management body of a unified accumulative pension fund or a voluntary accumulative pension fund, more than fifty percent of the outstanding shares of which directly or indirectly belong to the state and (or) the national management holding, the length of service provided for in this Article shall not be required.

3-1. For the purposes of subparagraphs 1), 2), 3), 4) of the first part of paragraph 3 of this Article, a management position shall mean the positions of the head and members of the management body, the head and members of the executive body, the head, the deputy head of an independent structural subdivision, as well as a separate subdivision of organizations operating in the areas specified in subparagraph 2) of the first part of paragraph 2 of this Article.

3-2. Documents for obtaining consent to the appointment (election) of a senior employee of a unified accumulative pension fund or a voluntary accumulative pension fund may be submitted by a candidate for the position of a senior employee or a unified accumulative pension fund or a voluntary accumulative pension fund.

The consent of the authorized body to appoint (elect) a senior executive of a unified accumulative pension fund or a voluntary accumulative pension fund may be issued for one or more positions, provided that the candidate for the position of senior executive meets the requirements for these positions.

The consent of the authorized body for the appointment (election) of a senior employee of a unified accumulative pension fund or a voluntary accumulative pension fund gives the right to hold the position of a senior employee without re-approval and ceases to be valid in the following cases:

1) nonappointment (non-election) of an agreed candidate for the position of a management employee in a unified accumulative pension fund or voluntary accumulative pension fund within twelve months from the date of receipt of consent or dismissal from the position (termination of powers) of the management employee;

2) withdrawal by the authorized body of consent to the appointment (election) to the position of the governing unified accumulative pension fund or voluntary accumulative pension fund.

4. A candidate for the position of a management employee shall not be entitled to perform the relevant functions without the consent of the authorized body.

The prohibition established by the first part of this paragraph shall not apply to a person elected to the position of head or member of a management body, who is an independent director, who is entitled to exercise relevant functions without the consent of the authorized body no more than sixty calendar days from the date of his election.

The authorized body shall consider the documents submitted for the issuance of consent to the appointment (election) of managers of a unified accumulative pension fund or a voluntary accumulative pension fund within thirty working days from the date of submission of the full package of documents in accordance with the requirements of the regulatory legal act of the authorized body.

It shall be prohibited to perform the duties (replacement of the temporarily absent) of a senior executive of a unified accumulative pension fund or a voluntary accumulative pension fund by a person who does not have the consent of an authorized body to appoint (elect) a senior executive, except for the cases of appointing the duties of the head of the management body to a member of the management body or the head of the executive body to a member of the executive body for a period of not more than sixty calendar days.

4-1. A candidate for the position of head or member of the management body of a unified accumulative pension fund or voluntary accumulative pension fund, who is an independent director, may be agreed upon both before and after his election to this position.

Upon approval of the head or member of the management body of a unified accumulative pension fund or a voluntary accumulative pension fund that is an independent director, after his election, documents for approval must be submitted to the authorized body within the period established by part two of paragraph 4 of this article.

Upon expiry of the period specified in this paragraph and in case of failure to submit a full package of documents for approval to the authorized body or refusal by the authorized body to approve a unified accumulative pension fund or voluntary accumulative pension fund, it shall be obliged to take measures to terminate the powers of this management employee.

4-2. If the authorized body uses a reasoned judgment in relation to a candidate for the position of a leading employee in accordance with Article 13-5 of the Law of the Republic of Kazakhstan "On state regulation, control and supervision of the financial market and financial organizations," the authorized body sends a notification to the person who submitted the documents for approval of the candidate for the position of a leading employee about the formation of a reasoned judgment in relation to the candidate for the position of a leading employee.

The authorized body shall suspend the period of consideration of documents submitted for obtaining consent to the appointment (election) of candidates for the positions of managers of a unified accumulative pension fund or a voluntary accumulative pension fund, when the authorized body forms a reasoned judgment regarding these candidates for positions of managers. This period shall be suspended from the date of sending the draft reasoned judgment to the person who submitted the documents for approval of the candidate for the position of the head of the unified accumulative pension fund or voluntary accumulative pension fund until the date of the decision of the authorized body using the reasoned judgment.

5. The procedure for issuing the consent of the authorized body for the appointment (election) of the executive employee of the unified accumulative pension fund or the voluntary accumulative pension fund, including the criteria for the absence of an impeccable business reputation, the documents necessary for obtaining the consent shall be established by the regulatory legal acts of the authorized body.

6. The authorized body refuses to issue consent to the appointment (election) of managers of a unified accumulative pension fund or a voluntary accumulative pension fund on the following grounds:

1) non-compliance of candidates for positions of managers with the requirements established by this Article, subparagraph 20) of Article 1, paragraph 4 of Article 54 and paragraph 2 of Article 59 of the Law of the Republic of Kazakhstan "On joint-stock companies," and Article 9 of the Law of the Republic of Kazakhstan "On accounting and financial reporting" or a regulatory legal act of the authorized body;

2) negative test result.

The negative test result shall be:

the result of testing a candidate for the position of a management employee shall be less than seventy percent of the correct answers;

violation of the testing procedure determined by the authorized body by the candidate for the position of a senior employee;

failure to appear for testing at the appointed time during the period of approval of the candidate for the position of a leading employee by the authorized body;

3) failure to eliminate the comments of the authorized body or submission of documents finalized taking into account the comments of the authorized body after the expiration of the period established by the regulatory legal act of the authorized body;

4) violation of the procedure established by the legislation of the Republic of Kazakhstan for the election (appointment) of a candidate for the position of head or member of a management body that is an independent director;

5) submission of documents after the expiration of the period established by the second part of paragraph 4-1 of this Article, during which a candidate for the position of head or member of a management body, who is an independent director, holds his position without the consent of the authorized body;

6) the authorized body shall have the information (facts) on the performance by a candidate for the position of a senior employee of actions recognized as committed in order to manipulate the securities market and (or) resulting in damage to a third party (third parties).

This requirement shall apply within one year from the date of the earliest of the listed events:

recognition by the authorized body of the actions of the candidate for the position of a management employee as committed in order to manipulate the securities market;

receipt by the authorized body of facts confirming the infliction of damage to a third party (third parties) as a result of such actions;

7) the authorized body shall have the information that the candidate for the position of a leading employee was an employee of a financial institution in respect of which supervisory response measures were applied by the authorized body and (or) subject to an administrative penalty for an administrative offence under Article 259 of the Code of Administrative Offences of the Republic of Kazakhstan for the commission of acts recognized as committed in order to manipulate the securities market, and (or) an employee of a financial institution whose actions caused damage to the financial institution and (or) a third party (s) involved in the transaction.

This requirement shall apply within one year from the date of the earliest of the listed events:

recognition by the authorized body of the actions of the financial institution as committed in order to manipulate the securities market;

receipt by the authorized body of facts confirming damage to a financial institution and (or) a third party (third parties) caused as a result of the actions of a candidate for the position of a leading employee.

For the purposes of this subparagraph, an employee of a financial institution shall mean a management employee or a person performing his/her duties and/or a trader of a stock exchange, whose competence was to make decisions on issues that entailed the above violations.

The information specified in subparagraphs 6) and 7) of the first part of this paragraph shall include information received by the authorized body from the financial supervision body of the state, the resident of which shall be a non-resident financial institution of the Republic of Kazakhstan.

7. The unified accumulative pension fund or voluntary accumulative pension fund shall notify the authorized body within five working days from the date of the decision of the relevant body of the unified accumulative pension fund or voluntary accumulative pension fund about all changes that have occurred in the management staff, including their appointment (election), transfer to another position, termination of the employment contract and (or) termination of powers, on bringing a senior employee to administrative responsibility for committing a corruption offense, as well as on changes in the surname, name, patronymic (if it is specified in the identity document) of the executive officer with copies of the supporting documents attached.

In the case of bringing a senior employee to criminal liability, a unified accumulative pension fund or a voluntary accumulative pension fund shall notify the authorized body within five working days from the day when this information has become known to a unified accumulative pension fund or a voluntary accumulative pension fund.

8. It is excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

9. The authorized body shall revoke the issued consent for the appointment (election) to the position of senior employee of a unified accumulative pension fund or a voluntary accumulative pension fund on the following grounds:

1) identification of inaccurate information on the basis of which consent was issued ;

2) systematic (three or more times during twelve consecutive calendar months) violation by a unified accumulative pension fund, a voluntary accumulative pension fund of the requirements provided for by the legislation of the Republic of Kazakhstan on countering the legalization (laundering) of proceeds from crime and the financing of terrorism;

3) removal by the authorized body from the performance of official duties of the persons specified in this article, on the basis of sufficient data to recognize the actions (inaction) of the specified management employee (s) of the unified accumulative pension fund or voluntary accumulative pension fund that do not meet the requirements of the legislation of the Republic of Kazakhstan;

4) removal by the authorized body from the performance of official duties of persons specified in this Article, on the basis of sufficient data to recognize the actions of the specified management employee (employees) of a unified accumulative pension

fund or a voluntary accumulative pension fund that shall not meet the requirements of the legislation of the Republic of Kazakhstan, if they are removed by a unified accumulative pension fund, a voluntary accumulative pension fund from fulfilling official duties or dismissal until these persons are removed from official duties by an authorized body;

5) the presence of an undisclosed or outstanding criminal record;

6) non-compliance of managers with the requirements established by this Article, subparagraph 20) of Article 1, paragraph 4 of Article 54, paragraph 2 of Article 59 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and Article 9 of the Law of the Republic of Kazakhstan "On accounting and financial reporting" or a regulatory legal act of the authorized body.

The withdrawal by the authorized body of consent to the appointment (election) of a senior employee of a unified accumulative pension fund or a voluntary accumulative pension fund shall be the basis for revoking previously issued (issued) consent (consents) to this senior employee in other financial organizations, bank, insurance holdings, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan, branches of insurance brokers - non-residents of the Republic of Kazakhstan, branches of banks - non-residents of the Republic of Kazakhstan.

A unified accumulative pension fund or a voluntary accumulative pension fund shall be obliged to terminate the employment contract with a management employee or, in the absence of an employment contract, take measures to terminate the powers of the management employee in the following cases:

1) withdrawal by the authorized body of consent for the appointment (election) to the position of a leading employee;

2) violation of the procedure established by the legislation of the Republic of Kazakhstan for the election (appointment) of a candidate for the position of a senior employee.

Footnote. Article 55 is in the wording of the Law of the Republic of Kazakhstan dated 24.11.2015 No. 422-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced upon expiry of ten calendar days from the date of its first official publication); dated 02.01.2021 No. 399-VI (effective from 16.12.2020); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 56. Ban on advertising, inconsistent to the reality

1. An advertisement of activity, inconsistent to the reality shall be prohibited to the unified pension savings fund, voluntary pension savings fund on the day of its publication.

2. An authorized body shall have a right to require introduction of amendments in advertisement, inconsistent to the reality, its termination or publication of its refutation from the unified pension savings fund, voluntary pension savings fund.

In case of nonfulfillment of this requirement in the term, established by the authorized body, an authorized body shall have a right to publish information on discrepancy with the reality of information, containing in the advertisement, or specify them at the expense of the unified pension savings fund, voluntary pension savings fund, published such advertisement.

3. Information on incomes on pension assets shall be represented only with specification of the period, during of which the relevant investment income is received.

Article 57. The secret of pension savings

1. The secret of pension savings shall involve information on balance and monetary movement in the individual pension accounts of the contributors (recipients).

The unified accumulative pension fund, voluntary accumulative pension funds and the State Corporation shall guarantee the secrecy of pension savings.

2. Officials, employees of the unified accumulative pension fund, voluntary accumulative pension funds, the State Corporation and other persons who, by virtue of exercising their official and functional duties, had an access to information, constituting the secrecy of pension savings, shall not have the right to disclose information, constituting the secrecy of pension savings, and bear responsibility for their disclosure in accordance with the laws of the Republic of Kazakhstan, except for the cases, provided for in paragraphs 3-5 of this Article.

The exchange of information, including information constituting the secret of pension savings, between the National Bank of the Republic of Kazakhstan and the authorized body is not divulging the secret of pension savings.

It is not a disclosure of the secret of pension savings that an official of a state body or a person performing managerial functions in an organization submits documents and information containing the secret of pension savings as supporting documents and materials when sending a message about a criminal offense to the criminal prosecution body.

3. The secret of pension savings may be disclosed to the contributor, making the pension contributions, the recipient, any third party on the basis of the written consent of the contributor (recipient), formed in accordance with the requirements of the legislation of the Republic of Kazakhstan.

4. Certificates on balance and monetary movement in the individual pension accounts may be issued to:

1) the inquire bodies and preliminary investigation – on criminal cases, being in their production;

2) the courts - on cases, being in their production on the basis of decision of the court;

3) to judicial executors – on the executive documents which are in their production on the basis of the resolution of the judicial executor authorized by the Prosecutor;

4) state revenue bodies - on issues, related to calculation, deduction (charge) of compulsory pension contributions, compulsory professional pension contributions;

5) the authorized body – on issue, arising due to application of the contributor (recipient) or due to carrying out by them the verification of activity of the unified pension savings fund, voluntary pension savings fund;

6) the prosecutor – on the basis of regulation on production of verification within its competence on material, being under consideration;

7) the authorized body on financial monitoring – according to the purposes and procedure, provided by the Law of the Republic of Kazakhstan “On counteracting of legalization (laundering) of incomes, received by illegal means and financing of terrorism”;

8) the representatives of the contributor (recipient) – on the basis of the notarized power of attorney or court decision;

9) State Corporation - for creation of a database of contributors (recipients) on compulsory pension contributions, compulsory professional pension contributions and calculation of the safety of compulsory pension contributions, compulsory professional pension contributions in a unified accumulative pension fund in the amount of actually paid compulsory contributions, compulsory professional pension contributions, taking into account the rate of inflation at the time of acquisition of the right to pension payments by the recipient, as well as for the provision of public services on the basis of an application of the contributor (recipient) or his representative on a notarized power of attorney or a court decision;

10) the central executive body – on issue, arising due to the application of the contributor(recipient);

11) the audit organizations, conducting an annual compulsory audit of the unified pension savings fund, voluntary pension savings fund;

12) is excluded by the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016).

5. Information on the existence of an individual pension account, balances and movement of money on it in the event of death of the contributor (recipient) shall be issued upon written request to the persons, who are heirs in accordance with the certificate of the right to inheritance under the Law or specified in the will, or to the courts on the basis of determination on the hereditary cases in their production.

6. Certificates on existence of an individual pension account, on the balances and movements of money on it in the event of death of the depositor (recipient) shall be

issued to the notaries and foreign consular institutions on hereditary cases in their proceedings.

Footnote. Article 57 as amended by the Law of the Republic of Kazakhstan dated 10.06.2014 No. 206-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.11.2014 No. 257 (see. subparagraph. 12)of Art. 10 for the procedure of enforcement); dated 17.03.2015 No. 293-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 21.01.2019 № 217-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 03.07.2019 No. 262-VI (shall be enforced from 01.01.2020).

Chapter 7 is provided to supplement by Article 57-1 in accordance with the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2024).

Article 58. Limited enforcement actions and sanctions, applied by the authorized body

1. In cases of detection of violations of the legislation of the Republic of Kazakhstan by the authorized body, revelation of illegal actions or inaction of officials and employees of the unified accumulative pension fund, voluntary accumulative pension fund, as well as non-fulfillment of other requirements of the authorized body, provided by this Law, an authorized body shall have the right to apply to a unified accumulative pension fund, voluntary accumulative pension fund one of the following limited enforcement actions:

- 1) to give a binding written instruction;
- 2) to issue a written warning;
- 3) to make a written agreement.

2. A written instruction shall be a designation to a unified accumulative pension fund, a voluntary accumulative pension fund, to take corrective measures, that are mandatory for implementation, aimed at eliminating of identified violations within a specified time and (or) reasons, as well as the conditions, that contributed to their commission and (or) the need for presenting a plan of measures on elimination of identified violations and (or) causes, as well as conditions, that contributed to their commission (hereinafter - the action plan).

The action plan, submitted on time, established by a written instruction, indicates the description of violations, the reasons that led to their occurrence, the list of planned activities, the terms of their implementation, as well as responsible officials.

An appeal against the authorized body's writ shall be made in the manner prescribed by the laws of the Republic of Kazakhstan. An appeal against the authorized body's writ shall not suspend its execution.

3. A written warning shall be a notification of the authorized body on the possibility of applying to the unified accumulative pension fund, voluntary accumulative pension fund or to (their) executive (managing) employee (employees) sanctions, provided by paragraph 7 of this Article, in case of detection of repeated violations of the legislation of the Republic of Kazakhstan, similar to the violation for which a written warning was issued by the authorized body within one year after the issuance of this warning.

4. A written agreement shall be a written agreement, concluded between the authorized body and the unified accumulative pension fund or voluntary accumulative pension fund on the need to eliminate the identified violations and approve the list of measures to eliminate these violations, specifying the terms of their elimination and (or) the list of restrictions, that the unified accumulative pension fund or voluntary accumulative pension fund take upon themselves, until the identified violations are eliminated.

The written agreement shall be subject to mandatory signing by the unified accumulative pension fund or voluntary accumulative pension fund.

5. The unified accumulative pension fund, voluntary accumulative pension fund shall be obliged to notify an authorized body on execution of the measures, specified in the written instruction and in the written agreement in the terms, provided by these documents.

6. The procedure for application of enforcement actions shall be determined by normative legal acts of the authorized body.

7. The authorized body shall have the right to apply sanctions to the unified accumulative pension fund, the voluntary accumulative pension fund regardless of enforcement actions, applied to them earlier.

8. As sanctions, the authorized body shall have the right to apply the following measures:

1) to impose and collect fines in accordance with the procedure, established by the laws of the Republic of Kazakhstan;

2) to suspend or revoke the license of voluntary accumulative pension funds;

3) to suspend from the performance of official duties the persons, specified in Article 55 of this Law on the basis of sufficient data to recognize the actions (inaction) of the mentioned executive employee (employees) of the unified accumulative pension fund, voluntary accumulative pension fund not complying with the requirements of the legislation of the Republic of Kazakhstan with simultaneous recall of the consent on appointment (election) to the position of an executive employee (employees) of a unified accumulative pension fund, voluntary accumulative pension fund. In case of deprivation of persons, specified in Article 55 of this Law from performing official duties or dismissing by a unified accumulative pension fund, a voluntary accumulative

pension fund, prior to deprivation from the performance of official duties of these persons, by the authorized body, the authorized body, withdraws the consent on appointment (election) of this person to the relevant position of an executive employee in a unified accumulative pension fund, a voluntary accumulative pension fund.

9. The authorized body shall have the right to suspend the license for managing the investment portfolio with the right to attract voluntary pension contributions up to six months for any of the following reasons:

- 1) inaccuracy of the information on the basis of which the license was issued;
- 2) delay in the commencement of the activity of the voluntary accumulative pension fund for more than a year from the moment of issuing the license;
- 3) systematic (three or more cases during the twelve consecutive calendar months) failure or improper fulfillment by the voluntary accumulative pension fund of obligations under pensions contracts from voluntary pension contributions;
- 4) systematic violation (three or more cases during the twelve consecutive calendar months) of violations of the norms and limits, prescribed by the authorized body and other mandatory norms and limits for the voluntary accumulative pension fund;
- 5) systematic (three or more cases during twelve consecutive calendar months) violation of the normative legal acts of the Republic of Kazakhstan, provisions, stipulated by pension rules and (or) investment declaration of voluntary accumulative pension fund;
- 6) non-fulfillment of the requirement of limited enforcement actions, applied by the authorized body;
- 7) refusal to sign a written agreement with the authorized body;
- 8) non-elimination by the voluntary accumulative pension fund of violations, indicated in the report of the audit firm on the audit conducted, within three months from the date of receipt by the voluntary accumulative pension fund of the audit report;
- 9) non-submission or submission of knowingly unreliable reports and information;
- 10) systematic (three or more cases during twelve consecutive calendar months) violation by the voluntary accumulative pension fund of the requirements, provided by the legislation of the Republic of Kazakhstan on combating the legalization (laundering) of illicit proceeds and financing of terrorism.

10. Suspension of the license entails a ban on attracting new contributors (recipients).

11. The decision on suspension of validity of the license of voluntary accumulative pension fund taken by the authorized body is brought by voluntary accumulative pension fund to the attention of contributors (recipients) by publication of an announcement in two printed editions in the Kazakh and Russian languages and placement on its Internet resource within ten calendar days.

12. Failure to eliminate the reasons for suspension of the license within the prescribed period by the voluntary accumulative pension fund shall be the basis for deprivation of the license by the authorized body.

13. The voluntary pension savings fund or a person against whom the authorized body has taken limited measures of influence or sanctions shall have the right to appeal against them in the manner prescribed by the laws of the Republic of Kazakhstan. Appealing against the said decisions of the authorized body shall not suspend their execution.

14. In case of absence of possibility to eliminate violation in the terms established in the action plan, the written agreement or the written instruction, on the reasons independent of the unified accumulative pension fund, the voluntary accumulative pension fund, the term of execution of the action plan, the written agreement or the written instruction can be prolonged by the authorized body in the manner established by normative legal act of the authorized body.

Footnote. Article 58 as amended by the Law of the Republic of Kazakhstan dated 24.11.2015 No. 422-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 No. 351-VI (effective from 01.07.2021).

Chapter 8. PROCEDURE OF MAKING OF INSURANCE PAYMENTS FROM THE INSURANCE ORGANIZATIONS

Article 59. Insurance payments from insurance organizations

1. Individuals specified in paragraph 1 of Article 11 and subparagraph 2) and 3) of paragraph 1 of Article 31 and subparagraph 2) and 3) of paragraph 1 of Article 32 of this Law shall be entitled to conclude a pension annuity agreement with an insurance organization on the implementation of insurance payments for life using pension contributions formed from mandatory pension contributions and (or) mandatory professional pension contributions.

In case of insufficient pension contributions formed due to mandatory pension contributions and (or) mandatory professional pension contributions, pension contributions formed due to voluntary pension contributions can be used to conclude a pension annuity agreement.

In case of insufficient pension contributions formed at the expense of mandatory professional pension contributions, to conclude a pension annuity agreement, persons specified in subparagraph 1) of paragraph 1 of Article 32 of this Law have the right to use pension contributions formed at the expense of mandatory pension contributions.

2. The size of the monthly insurance payment from the insurance organization cannot be lower than 70 percent of the subsistence minimum (1.4 times the size of the subsistence minimum in the event of the conclusion of a pension annuity agreement by two persons), valid on the date of the conclusion of the pension annuity agreement.

In the event of the death of one of the pension annuities insured under the agreement, the amount of the monthly insurance payment from the insurance organization for the second insured cannot be less than 70 percent of the subsistence minimum effective on the date of the conclusion of the pension annuity agreement.

3. Insurance payments are transferred by an insurance organization to the bank account of the insured, whose requisites are indicated in the pension annuity contract.

Payment for banking services related to transfers, deposits and payments of insurance payments shall be carried out at the expense of the insurance company's own funds.

4. Insurance organizations submit monthly information to the State Corporation on the insurance payments, made in accordance with the procedure, determined by the central executive body.

Footnote. Article 59 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 17.11.2015 No. 408-V (shall be enforced from 01.03.2016); dated 02.01.2021 No. 399-VI (effective from 01.01.2021); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 60. Procedure for concluding a pension annuity agreement and making insurance payments

1. The procedure for concluding and the standard form of the pension annuity agreement shall be developed and approved by the authorized body.

2. The pension annuity agreement shall be concluded for the period determined by the requirements of this Law.

3. A party to the pension annuity agreement may be two policyholders (insured) who are spouses or close relatives in accordance with the Code of the Republic of Kazakhstan "On marriage (marriage) and family" and are simultaneously insured.

4. A person entering into a pension annuity agreement shall be free to choose an insurance organization.

5. The pension annuity agreement shall be concluded in writing.

The basis for concluding a pension annuity agreement shall be an application of the insured (s) or depositor (s) containing the data necessary to calculate the insurance premium and identify the insured (insured).

The application shall be signed by the policyholder (policyholders) or the depositor (depositors).

Note!

The fourth and fifth paragraphs shall enter into force from 01.01.2024 by Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (the text excluded).

6. Note!

Paragraph 6 shall enter into force from 01.01.2024 by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (the text excluded).

7. The organization for the formation and maintenance of the database shall generate and maintain the insurance database on the basis of this Law and the Law of the Republic of Kazakhstan "On insurance activities."

8. The pension annuity agreement shall enter into force and shall be mandatory for the parties from the moment of transfer of the amount of the insurance premium to the insurance organization in full by the unified accumulative pension fund and (or) voluntary accumulative pension fund, and (or) by the insurance organization.

9. Termination of the pension annuity agreement shall be possible only at the initiative of the insured (insured - in the event of a pension annuity agreement by two persons), subject to the conclusion of a pension annuity agreement with another insurance organization, but not earlier than two years from the date of its conclusion or in the event of a permanent residence outside the Republic of Kazakhstan of the insured (insured), being a foreigner or stateless person who submitted documents determined by the legislation of the Republic of Kazakhstan confirming the fact of departure.

The amount of insurance payments, as well as the procedure for terminating the pension annuity agreement, making amendments and (or) additions to the pension annuity agreement in the event of divorce (marriage) in accordance with the Code of the Republic of Kazakhstan "On marriage (marriage) and family" shall be established by the pension annuity agreement concluded in accordance with paragraph 3 of this Article.

Upon termination of the pension annuity agreement:

1) the redemption amount provided by him must be at least the amount of the insurance premium paid minus the amount of insurance payments made and the expenses of the insurance organization for conducting business;

2) the size of the monthly insurance payment from the insurance organization under the newly concluded pension annuity agreement cannot be lower than 70 percent of the subsistence minimum effective on the date of the newly concluded pension annuity agreement.

10. The depositor (recipient) who has entered into the pension annuity agreement shall have the right to use the pension contributions remaining in the pension account after the conclusion of the pension annuity agreement and (or) newly formed, to conclude another pension annuity agreement with the insurance organization.

11. In case of amendments to the current pension annuity agreement:

1) the frequency of insurance payments shall be determined in accordance with paragraph 13 of this Article;

2) the size of the periodic insurance payment from the insurance organization under the pension annuity agreement cannot be lower than 70 percent of the subsistence minimum effective on the date of amendments to the current pension annuity agreement.

12. The insurance premium and insurance payment shall be calculated by the insurance company in accordance with the procedure established by the authorized body.

The allowable level of expenses of the insurance organization for conducting business under the concluded pension annuity agreements, as well as the indexation rate of the insurance payment, shall be established by the authorized body.

13. Insurance payments under the pension annuity agreement shall be made monthly.

The first monthly insurance payment shall be made by the insurance company no later than ten working days from the date of transfer of the amount of the insurance premium to the insurance organization under the pension annuity agreement, but not earlier than the insured reaches the age:

men - 55 years old;

women:

from January 1, 2021 - 52 years old;

from January 1, 2022 - 52.5 years old;

from January 1, 2023 - 53 years old;

from January 1, 2028 - 53.5 years old;

from January 1, 2029 - 54 years old;

from January 1, 2030 - 54.5 years old;

from January 1, 2031 - 55 years old;

persons specified in subparagraph 1) of paragraph 1 of Article 32 of this Law - 50 years old.

14. Persons who have entered into a pension annuity agreement have the right not earlier than two years from the date of its conclusion to apply to the insurance organization with an application to change the terms of the agreement in terms of reducing the amount of insurance payments and returning money to a unified accumulative pension fund.

The amount of money to be returned to a unified accumulative pension fund shall be equal to the difference between the redemption amount under the pension annuity agreement as of the date of amendments to it and the amount of the insurance premium calculated based on the amount of payment determined by paragraph 2 of Article 59 of this Law, as of the date of amendments to the pension annuity agreement.

15. The procedure for transferring redemption amounts from one insurance organization to another insurance organization in connection with the conclusion of a

pension annuity agreement shall be determined by a regulatory legal act of the authorized body.

Footnote. Article 60 - as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (the procedure to enter into force see Article 2); as amended by the Law of the Republic of Kazakhstan dated 26.12.2022 № 168-VII (shall enter into force from 01.01.2023).

Article 61. Rights and obligations of the parties of agreement of retirement annuity

1. An insurant shall have a right to:

1) introduction with the calculation of the amounts of insurance payments conducted by the insurance organization;

2) the use of pension contributions to pay the insurance premium when concluding a pension annuity agreement with an insurance organization or when introducing amendments and (or) additions to the pension annuity agreement;

2-1) Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

3) attraction of independent experts for performing calculations of the amounts of insurance payment from insurance organization;

4) receipt of a copy of the pension annuity agreement.

Note!

Paragraph 2 as provided to exclude by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force from 01.01.2024).

2. An insurant shall be obliged to:

1) notify the unified accumulative pension fund, voluntary accumulative pension fund within ten calendar days from the date of conclusion of the pension annuity contract or introducing changes to the pension annuity contract with submission of the original of such contract and (or) additional agreement to the pension annuity contract;

2) upon termination of the pension annuity contract, apply for termination of the pension annuity contract and submit the original of a contract with new insurance company within ten working days from the date of conclusion of a new pension annuity contract.

3. An insurance organization shall receive the sum of insurance premium according to the agreement of retirement annuity simultaneously and in a full volume.

4. The insurance company shall:

1) familiarize the insured with the calculations of the amount of insurance payments from the insurance organization;

2) formalize the pension annuity agreement in accordance with the procedure provided for by this Law and the regulatory legal act of the authorized body;

3) exchange data under the concluded pension annuity agreements with the organization for the formation and maintenance of the database in the procedure and terms determined by the authorized body;

4) Note!

Subparagraph 4) shall enter into force from 01.01.2024 by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (the text is excluded).

5) in case of untimely implementation of insurance payments from the insurance organization provided for by the pension annuity agreement, pay to the insured or the insured, whose rights are violated, a penalty in the amount of 1.5 percent of the unpaid amount for each day of delay, but not more than 50 percent of the unpaid amount;

6) in the event of the death of the insured and/or the insured, make an insurance payment in the form of a lump sum payment for burial to his family or to the person who carried out the burial in the amount established by the pension annuity agreement, but not less than 15 times the size of the monthly calculation indicator established for the corresponding fiscal year by the Law on the republican budget;

7) within twenty calendar days from the date of receipt of the application provided for by paragraph 14 of Article 60 of this Law, transfer to a unified accumulative pension fund the amount of money subject to return.

Footnote. Article 61 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (the procedure to enter into force see Article 2).

Article 62. Procedure of transfer the pension savings to the insurance organization

1. Within no later than ten working days from the date of receipt of the documents, complying with the requirements, established by normative legal act of the authorized body, the unified accumulative pension fund, the voluntary accumulative pension fund shall be obliged to transfer pension savings of the recipient to an insurance company.

2. A unified pension savings fund shall bear responsibility before the recipient in the case of delay in fulfilling obligations, specified in paragraph 1 of this Article in accordance with the Laws of the Republic of Kazakhstan.

Footnote. Article 62 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016).

Article 63. Payments settlement of insurance premium and insurance payments on agreements of retirement annuity

Footnote. Article 63 is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

Chapter 9. Pension provision for certain categories of citizens for long service

Footnote. The title of Chapter 9 is provided in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No.342-V (shall be enforced from 01.01.2016).

Article 64. The right to pension payments for long service

1. Military servicemen (except for military servicemen of conscription service), employees of special state and law enforcement agencies, state courier service shall have the right to pension payments for long service:

1) having long service in military service, service in special state and law enforcement bodies, state courier service for at least twenty-five years and having reached the age limit in the service upon dismissal from the service, specified in the legislation of the Republic of Kazakhstan;

2) having a length of service in military service, service in special state and law enforcement agencies, state courier service for at least twenty-five years, dismissed by reduction of staff or of their own free will, or state of health, or during the liquidation of a law enforcement agency;

3) having a total work experience of twenty-five years or more, of which at least twelve years and six months constitute continuous military service, service in special state and law enforcement agencies, state courier service, and dismissed upon reaching the maximum age of the state in military service established by the legislation of the Republic of Kazakhstan, service in special state and law enforcement agencies, state courier service either to reduce staff or health or during the liquidation of a law enforcement agency.

2. Persons, whose rights to have special ranks, class ranks and to wear uniforms have been abolished since January 1, 2012 shall have the right to pension payments for long service:

1) having long service in military service, service in special state and law enforcement bodies, state courier service for at least twenty-five years and have reached the age corresponding to the age limit for the law enforcement service in accordance with a fixed special rank, the class rank at the time of abolition of the right to hold special ranks and class ranks, as well as to wear uniforms;

2) those who have a length of service in military service, service in special state and law enforcement agencies, state courier service for at least twenty-five years, dismissed by staff reduction, in the liquidation of a law enforcement agency or at their own request or non-compliance with the position or work performed due to a state of health that prevents the continuation of work;

3) having a total work experience of twenty-five years or more, of which at least twelve years and six months constitute continuous military service, service in special state and law enforcement agencies, state courier service, and dismissed for redundancy, in the liquidation of a law enforcement agency or for non-compliance with

the position or work performed due to a state of health, preventing the continuation of work, or reaching the age corresponding to the age limit of the state in the law enforcement service in the fixed special rank or class rank at the time of abolition of the right to have special ranks or class ranks, as well as wear uniforms.

2-1. The right to pension payments for long service to persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, provided that they continue to work in medical organizations located in pre-trial detention centers and penitentiary institutions) of the system, dismissed due to a reduction in staff, either due to a state of health, or upon reaching the age corresponding to the age limit of the state in the law enforcement service at a special rank at the time of the reduction of the position in the internal affairs bodies of the Republic of Kazakhstan, occurs if there is a total work experience of twenty-five years or more, of which at least twelve years and six months are continuous military service, service in special state and law enforcement agencies, state courier service. Rules for maintaining benefits for pension payments for length of service to persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who had at least twelve years of service and six months of continuous military service at the time of reduction of the position, services in special state and law enforcement agencies, the state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, are determined by the Government of the Republic of Kazakhstan.

3. Military servicemen, employees of special state and law enforcement bodies, state courier service, as well as persons, whose rights to have special ranks, class ranks and to wear uniforms have been abolished since January 1, 2012, first entered the service after January 1, 1998 and dismissed before January 1, 2016, having the conditions for the appointment of pension payments for long service on the date of dismissal, in accordance with the norms of the legislation effective before January 1, 2016, shall have the right to assignment of pension payments for long service, taking into account the length of service and monetary maintenance at the time of dismissal from service.

4. Military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions have been reduced in the internal affairs bodies of the Republic Kazakhstan from July 1, 2022 and January 1, 2023, who, at the time of the reduction of their position, had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in

pre-trial detention centers and institutions of the penitentiary (penal) system, who, as of the date of dismissal, did not have the right to assign pension payments for length of service, pension payments by age are assigned in accordance with this Law.

5. When enrolling recipients of pension payments for long service from among the military, employees of special state and law enforcement agencies, the state courier service, the former State Investigative Committee, as well as persons whose rights to have special ranks, class ranks and wear uniforms are abolished from January 1 2012, and persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, the state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, for the civil service with the assignment of a military (special) rank, class rank, the establishment of a qualification class, pension payments for length of service are suspended for the period of service from the date of enlistment.

6. Persons, specified in paragraph 5 of this Article and re-served for 3 years, with re-dismissal from service shall have the right to choose the assignment of pension payments for long service in accordance with paragraph 1 of this Article, taking into account the length of service and monetary maintenance at the time of re-dismissal from service or to resume the previously assigned pension payments for long service, taking into account increases made in accordance with the procedure, established by the legislation of the Republic of Kazakhstan, for the period, when pension payments for long service were suspended.

This clause applies to the persons specified in clause 5 of this article, re-dismissed from service from the prosecutor's office in the period from January 1, 2012 to December 31, 2015 in connection with the adoption of the Law of the Republic of Kazakhstan "On Law Enforcement Service".

7. Persons from among the military servicemen, employees of internal Affairs bodies of the member states of the Commonwealth of Independent States, having less than twenty-five years of service, having reached the age limit on the day of dismissal from service, or who have been dismissed for reduction of staff, health state, arrived at a permanent place of residence in the Republic of Kazakhstan from the member states of the Commonwealth of Independent States, who were assigned pension payments for long service, in accordance with the legislation of these states, shall have the right to pension payments for long service.

8. The right to pension payments for long service in accordance with paragraphs 1-3 of this article for persons in favor of which, before January 1, 2016, mandatory pension contributions were transferred at the expense of budgetary funds, arises subject

to the return of 50 percent of the amount of mandatory pension contributions, transferred at the expense of budgetary funds until January 1, 2016 in favor of military personnel (except military servicemen), employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms are abolished from 1 January 2012, and persons whose medical positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system.

Footnote. Article 64 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the laws of the Republic of Kazakhstan dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022); dated 11.07.2022 № 136-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

Article 65. Calculation of pension payments for long service

1. Pension payments for length of service to military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions have been reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who, at the time of the reduction of the position, had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, subject to continuation they work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, are established at the rate of fifty percent of the monetary content.

For each full year of long service in military service, service in special state and law enforcement agencies, state courier service for over twenty-five years, the amount of pension payments for long service, assigned in accordance with subparagraphs 1) and 2) of paragraph 1 and subparagraphs 1) and 2) of paragraph 2 of Article 64 of this Law, shall be increased by two percent, for each full year of labour experience, worked out on the day of dismissal from service - by one percent from monetary maintenance.

For each full year of the total length of service worked out on the day of dismissal from service, over twenty-five years, the amount of pension payments assigned in

accordance with subparagraph 3) of paragraph 1 and subparagraph 3) of paragraph 2 , paragraph 2-1 article 64 of this Law, is increased by one percent of the salary.

2. In the amount of monetary maintenance, considered for pension provision of military servicemen, employees of special state and law enforcement bodies, state courier service, the official salary, salary (extra charge) for military (special) rank, class rank, established qualification class shall be included.

3. The size of monetary maintenance, considered for pension provision of military servicemen, special state and law enforcement officers, state courier service, shall be determined on the day of dismissal (deletion from the lists of staff) from the service and is confirmed by a certificate of the established model of the relevant body at the last place of service.

The amount of the monetary allowance, taken into account for pension ensuring of persons from military servicemen, employees of law-enforcement bodies of the states – participants of the Commonwealth of Independent States, arrived on permanent residence to the Republic of Kazakhstan from the states – participants of the Commonwealth of Independent States, shall be determined on the day of dismissal from service (exceptions from the lists of personnel) on similar or equated position of the military servicemen, employees of law-enforcement bodies of the Republic of Kazakhstan.

4. The amount of the monetary allowance taken into account for the pension provision of persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions have been reduced in the internal affairs bodies of the Republic of Kazakhstan since July 1, 2022 and January 1, 2023, who had at the time of the reduction of their position a length of service of at least twelve years and six months of continuous military service, service in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions penitentiary (penitentiary) system, determined in the manner established by the Government of the Republic of Kazakhstan.

5. For the persons, specified in paragraph 7 of Article 64 of this Law, pension payments for long service shall be established at the rate of 2 percent from monetary maintenance for each full year of long service.

6. The maximum amount of monthly pension payments for the length of service of military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons who are medical whose positions were reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who had, at the time of the reduction of their position, a length of service of at least twelve years and six months

of continuous military service, service in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, may not exceed 65 percent of the monetary content, determined in accordance with paragraphs 2-5 of this article, and 109 times the amount of the monthly calculation index established for the corresponding financial year by the law on the republican budget.

7. Pension payments for long service shall be carried out at the expense of budgetary funds.

Footnote. Article 65 as amended by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022).

Article 66. Calculation of length of service

Calculation of the length of service for military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and uniform were abolished from January 1, 2012, and persons whose medical positions have been reduced in the internal affairs bodies of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, having at the time of reduction of the post a length of service of at least twelve years and six months of continuous military service, services in special state and law enforcement agencies, state courier service, provided that they continue to work in medical organizations located in pre-trial detention centers and institutions of the penal (penitentiary) system, it is carried out in the manner determined by the Government of the Republic of Kazakhstan.

In this case, the length of service for the assignment of pension payments for length of service shall be calculated on a calendar basis, except for the cases, established by the legislation of the Republic of Kazakhstan.

The years of service calculated in a member state of the Commonwealth of Independent States shall not be subject to revision, unless otherwise provided by international treaties, ratified by the Republic of Kazakhstan.

Footnote. Article 66 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the Law of the Republic of Kazakhstan dated 02.07.2018 No. 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.12.2021 № 95-VII (shall enter into force from 01.07.2022).

Article 67. The amount of monetary pay, considered for retirement insurance

Footnote. Article 67 is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016).

Article 68. Terms of assignment and making of pension payments for long service

1. Pension payments for the years of service shall be assigned and carried out from the date of dismissal from service (exceptions from the list of personnel), but not earlier than the day on which the monetary allowance was paid, and not more than three years before the date of application for assignment of pension payments for the years of service.

The day of application for assignment of pension payments for the years of service shall be the day of registration of the application and necessary documents in the relevant state body.

In case of receipt of the state social allowance on disability or pension payments by age, pension payments for the years of service shall be carried out from the date of address for assignment of pension payments for the years of service, but not earlier than the day of termination of payment of the state social allowance on disability or pension payments by age.

2. Pension payments for long service to persons, specified in paragraph 3 of Article 64 of this Law shall be assigned from the day of applying for the assignment of pension payments for long service.

3. Pension payments for the years of service to the persons, who arrived for permanent residence in the Republic of Kazakhstan from the member states of the Commonwealth of Independent States shall be assigned (renewed) taking into account annual indexations from the date of application, but not earlier than the day on which the pension was paid in the member state of the Commonwealth of Independent States.

4. Pension payments for long service shall be paid for the current month and made on the month of death or departure for permanent residence outside the Republic of Kazakhstan inclusive.

5. Persons, living in medical and social institutions (organizations) in hospital conditions and being on full state security, pension payments for long service shall be paid in the amount of 30 percent from the amount of pension payments for long service, assigned in accordance with article 65 of this Law, but not less than the minimum pension, established for the relevant financial year by the Law on republican budget

Transfer of 70 percent of the assigned amount of pension payments for long service shall be made on the separate bank account or on the control account of cash of medical and social institutions (organizations).

The procedure for the use of these funds by medical and social institutions (organizations) shall be determined by the central executive body.

In case of departure of the recipient from medical and social institutions (organizations), pension payment for long service in full amount is renewed from the first day of the month following the month of departure.

Footnote. Article 68 is in the wording of the Law of the Republic of Kazakhstan dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); as amended by the laws of the Republic of Kazakhstan dated 03.12.2015 No. 433-IV (shall be enforced from 01.01.2016); dated 06.04.2016 No. 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017); dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 69. Means and procedure of pension payments

Footnote. Article 69 is excluded by the Law of the Republic of Kazakhstan dated 02.08.2015 № 342-V (shall be enforced from 01.01.2016).

Article 70. Bodies, carrying out pension provision to military servicemen and employees of special state and law enforcement agencies, the state courier service

Assignment of pension payments for length of service to military personnel, employees of special state and law enforcement agencies, state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012, and persons whose medical positions have been reduced in bodies of internal affairs of the Republic of Kazakhstan from July 1, 2022 and January 1, 2023, who at the time of reduction of the post had at least twelve years of service and six months of continuous military service, service in special state and law enforcement agencies, state courier service, subject to their continuation work in medical organizations located in pre-trial detention centers and institutions of the penitentiary (penal) system, carried out by the relevant state bodies in the manner determined by the Government of the Republic of Kazakhstan.

Footnote. Article 70 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2018 № 165-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated December 30, 2021 No. 95-VII (shall be enforced from July 1, 2022).

Article 71. The state social disablement allowances, on the occasion of loss of breadwinner and at the age of those having the right to receipt the social disability pension, on the occasion of loss of breadwinner and according to the age

1. Awarded disablement pension, on the occasion of loss of breadwinner, social pension shall be paid at the expense of budget means in the form of the state social disablement allowances, on the occasion of loss of breadwinner and according to the age from 1 January, 1998.

2. The amount of state social allowance may not be less than the amount of pension , received until 1 January, 1998.

3. In the presence of conditions, established by paragraphs 1-3 of Article 11 and Article 64 of this Law, the disability benefit at the request of a citizen may be replaced with pension payments by age or pension payments for long service in the manner, determined by the legislation of the Republic of Kazakhstan.

4. Conditions, procedure of award and the amounts of the state social allowances shall be determined by the legislative acts of the Republic of Kazakhstan.

Footnote. Article 71 as amended by the laws of RK dated 17.11.2015 No. 408-IV (shall be enforced from 01.03.2016); 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017).

Chapter 10. FINAL AND TRANSITIONAL PROVISIONS

Article 72. Responsibility for violation of the legislation of the Republic of Kazakhstan on retirement insurance

Violation of the legislation of the Republic of Kazakhstan on retirement insurance shall entail responsibility in accordance with the Laws of the Republic of Kazakhstan.

Article 73. Transitional provisions

1. The Government of the Republic of Kazakhstan shall create the unified pension savings fund during one month from the date of introduction into effect of this Law.

2. Transfer of pension assets and obligations of pension savings funds by agreement on retirement insurance shall be carried out in a unified pension savings fund on schedule according to the procedure, established by the regulatory legal act of the authorized body.

Transfer of pension assets and obligations of pension savings funds by agreement on retirement insurance shall be formed by the acts of receipt and transfer of pension assets and obligations, signed by the authorized representatives of the unified pension savings fund, pension savings fund, former custodian bank, organization, exercising investment management of pension assets, Center and National Bank of the Republic of Kazakhstan.

Pension savings fund, having a debt to the contributors (recipients) on pension assets at the date of introduction into effect of this Law, shall be obliged to extinguish it up to the date of signing of an act of receipt and transfer of pension assets and obligations.

Expenses, related with the transfer of pension assets and obligations in a unified pension savings fund shall be carried out at the expense of own funds of pension savings funds.

An audit of annual financial accountability of pension savings fund, drawn up in accordance with international financial reporting standards as of 1 January, 2013, shall be represented by the pension savings fund in the authorized body until transfer of pension assets in a unified pension savings fund.

An annual audit report of pension savings fund shall contain independent opinion of auditor – executor and audit organization on financial accountability of the pension savings fund and information on the results of verification for compliance with the requirements of the legislation of the Republic of Kazakhstan of the procedure of maintaining of records and preparation of reporting in relation of pension assets of this pension savings fund.

3. From the date of effect of this Law and until termination of transfer in a unified pension savings fund of pension assets and obligations by agreement on retirement insurance shall be terminated:

1) transmissions of pension savings of contributors (recipients) from the pension savings funds in the insurance organization;

2) transfer of pension savings of contributors (recipients) from one pension savings fund to another, except of the transmission in a unified pension savings fund, in terms, determined by the schedule.

4. Validity of a license of pension savings fund to attraction of pension contributions and making of pension payments and organization, carrying out the investment management of pension assets, carrying out of activity on investment management of pension assets, issued by the authorized body, shall be terminated from the date, following the date of signing of an act of receipt and transfer of pension assets and obligations by all authorized representatives, specified in paragraph 2 of this Article.

5. A unified pension savings fund shall be successor of all agreements on retirement insurance, concluded until introduction into effect of this Law with the contributors (recipients), the pension savings on which were transferred in a unified pension savings fund in accordance with paragraph 2 of this Article.

Agreements on retirement insurance, concluded by the contributors (recipients) with the pension savings fund shall effect in the part, not contradicted to the pension rules of the unified pension savings fund until introduction into effect of this Law.

6. Pension savings funds shall be obliged to:

1) make a transfer of pension assets and obligations in a unified pension savings fund by agreements on retirement insurance according to the procedure and terms, established by the regulatory legal acts of the authorized body;

2) return the forms of licenses to the authorized body not later than ten calendar days from the date of termination of a license to attraction of pension contributions and making of pension payments.

7. In case of non-fulfilment of requirements, provided by this Article by the pension savings funds, an authorized body shall have a right to take enforcement actions and sanction, provided by the Laws of the Republic of Kazakhstan.

8. Organization, having a license at the date of introduction into effect of this Law to carrying out of investment management of pension assets, shall have a right to apply to the authorized body with application on issuance of a license to carrying out of activity on portfolio management after return of the form of a license to the authorized body to carrying out the investment management of pension assets.

An authorized body shall issue a license to carrying out of activity on portfolio management during thirty business days from the date of reception of documents, specified in the first part of this paragraph.

9. Requirements, established by paragraph 3 of Article 39 and Article 40 of this Law shall not be distributed to the contributors, the pension savings of which were transferred to the unified pension savings fund according to the procedure, provided by paragraph 2 of this Article.

10. Legal relations, one of the party of which shall be the pension savings fund (organization, carrying out investment management of pension assets), related with retirement insurance from the pension savings fund, organization of activity of pension savings fund (organization, carrying out investment management of pension assets), commission remuneration of the pension savings fund, reports and accounts of pension savings fund (organization, carrying out investment management of pension assets), the secret of pension savings and management of pension assets of the pension savings fund, shall be regulated in accordance with provision of the Law of the Republic of Kazakhstan from 20 June, 1997 “On retirement insurance in the Republic of Kazakhstan” to the date of termination of validity of a license of the pension savings fund (organization, carrying out investment management of pension assets).

Regulations of the Law of the Republic of Kazakhstan from 20 June, 1997 “On retirement insurance in the Republic of Kazakhstan”, determining the legal and social grounds of citizens in the Republic of Kazakhstan at the expense of voluntary profession pension contributions, shall effect until 1 January, 2014.

Pension savings, formed from voluntary professional pension contributions before January 1, 2014, shall be transferred to pension savings at the expense of compulsory professional pension contributions in case, that persons in favour of whom, voluntary professional pension contributions were made, are employees of occupations, included in the list of productions, works, occupations of workers, engaged in jobs with hazardous working conditions, in whose favor compulsory professional pension contributions are carried by the agents on payment of compulsory professional pension contributions at the expense of their own funds.

In all other cases, pension savings, formed from voluntary professional pension contributions before January 1, 2014, shall be transferred to voluntary pension contributions.

11. Pension savings funds, validity of licenses of which to attraction of pension contributions and making of pension payments, and carrying out the investment management of pension assets, issued by the authorized body, shall be terminated in accordance with this Law, not receiving a license to portfolio management, as well as the pension savings funds, being in the process of compulsory liquidation on the date of introduction into effect of this Law in accordance with the civil legislation of the Republic of Kazakhstan.

Assignment of liquidation commission of pension savings funds, being in the process of compulsory liquidation shall be carried out by the authorized body.

12. Pension payments for long service, assigned before January 1, 2016 in an incomplete amount, shall be recalculated, taking into account their completion to the full amount in the manner, determined by the Government of the Republic of Kazakhstan, with the return of 50 percent of the amount of compulsory pension contributions, transferred at the expense of budgetary funds.

In case of conclusion of the pension annuity contract before January 1, 2016 by the military servicemen (except military servicemen of conscription service), employees of special state and law enforcement agencies, state courier service, and also persons, whose rights to have special ranks, class ranks and to wear uniform have been abolished since January 1, 2012, the amount of compulsory pension contributions, formed at the expense of budgetary funds, remaining on the individual pension account is subject to return.

13. Pension payments for long service, assigned before 1 January 1998, the amount of which has not been increased since 1 June 2006, shall be recalculated in the manner, determined by the Government of the Republic of Kazakhstan.

Footnote. Article 73 as amended by the Law of the Republic of Kazakhstan dated 10.01.2014 No. 156-V (shall be enforced from 01.01.2014); dated 02.08.2015 No. 342-V (shall be enforced from 01.01.2016); dated 20.06.2017 No. 76-IV (shall be enforced from 01.07.2017).

Article 74. Procedure of introduction into effect of this Law

1. This Law shall be shall be enforced upon expiry of ten calendar days after its first official publication, except of:

1) paragraph 1 of Article 34, which is enforced from the date of creation the unified pension savings fund;

2) the regulations of this Law, determining the legal and social grounds of retirement insurance of citizens in the Republic of Kazakhstan at the expense of compulsory profession pension contributions, which are enforced from 1 January, 2014

2. Suspend the effect of paragraph 4 of Article 28 until January 1, 2014. During the suspension period, the specified paragraph shall effect in the following wording:

"4. According to the order of the state revenue bodies, if the agent has not submitted the lists of contributors of the unified accumulative pension fund, in favor of whom the debt on compulsory pension contributions is collected, and if there is a debt on compulsory pension contributions, banks and organizations, engaged in certain types of banking operations, shall be obliged to suspend all expenditure operations on the bank accounts of the agents and perform instructions, relating to the transfer of compulsory pension contributions, social contributions and tax debts, in the manner, established by the legislation of the Republic of Kazakhstan.

The order of the state revenue body on suspension of expenditure operations on bank accounts is cancelled by the tax authority, which issued the order on suspension of expenditure operations, no later than one working day following the day of elimination the reasons of suspension of expenditure operations on bank accounts."

2-1. To establish that until January 1, 2023, the title of Article 39 of this Law shall be valid in the following edition:

"Article 39. The rights and obligations of contributors, individuals for whom compulsory pension contributions have been paid, compulsory professional pension contributions have been transferred, and agents".

2-2. Paragraph 4-1 of Article 25 shall be suspended from June 1, 2020 until January 1, 2021. During the period of suspension, this paragraph shall read as follows:

"4-1. For individuals receiving income under civil law contracts, the subject of which is performance of work (rendering of services), except for the case provided for in subparagraph 5) of paragraph 2 of Article 24 of this Law, mandatory pension contributions payable to the unified pension savings fund, shall be set at 5 percent of the income received, but no more than 5 percent of the 50-fold minimum wage established for the corresponding financial year by the law on the republican budget."

3. Shall be considered to have lost force the Law of the Republic of Kazakhstan dated 20 June, 1997 "On retirement insurance in the Republic of Kazakhstan" (Bulletin of the Parliament of the Republic of Kazakhstan, 1997, No. 12, Article 186; 1998, No. 24, Article 437; 1999, No. 8, Article 237; No. 23, Article 925; 2001, No. 17-18, Article 245; No. 20, Article 257; 2002, No. 1, Article 1; No. 23-24, Article 198; 2003, No. 1-2, Article 9; No. 11, Article 56; No. 15, Article 139; No. 21-22, Article 160; 2004, No. 11-12, Article 66; No. 23, Article 140, 142; 2005, No. 7-8, Article 19; No. 11, Article 39; No. 14, Article 55, 58; No. 23, Article 104; 2006, No. 3, Article 22; No. 8, Article 45; No. 12, Article 69; No. 23, Article 141; 2007, No. 2, Article 18; No. 3, Article 20; No. 4, Article 28, 30; No. 9, Article 67; No. 10, Article 69; No. 24, Article 178; 2008, No. 17-18, Article 72; No. 20, Article 88; No. 23, Article 114, 123; 2009, No. 17, Article 81; No. 19, Article 88; No. 23, Article 111; 2010, No. 5, Article 23; No. 7, Article 28; No. 15, Article 71; No. 24, Article 140; 2011, No. 1, Article 3; No. 6, Article 49; No. 11, Article 102; No. 14, Article 117; No. 24, Article 196; 2012, No. 2, Article 14, 15;

No. 3, Article 26; No. 4, Article 32; No. 10, Article 77; No. 13, Article 91; No. 14, Article 95; No. 21-22, Article 124; No. 23-24, Article 125; 2013, No. 1, Article 3; No. 3, Article 15; the Law of Republic of Kazakhstan dated 15 April, 2013 “On introduction of amendments and additions to the several legislative acts of the Republic of Kazakhstan on issues of the state services”, published in the newspapers “Egemen Kazakhstan” and “Kazakhstanskaya pravda” 20 April, 2013), except of the cases, provided by paragraph 10 of Article 73 of this Law.

Footnote. Article 74 as amended by the laws of the Republic of Kazakhstan dated 07.11.2014 No. 248-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 20.06.2017 No. 76-VI (shall be enforced from 01.07.2017); dated 26.12.2019 No. 287-VI (shall be enforced from 01.01.2020); dated 03.07.2020 No. 359-VI (shall be enforced ten calendar days after the date of its first official publication).

*The President
of the Republic of Kazakhstan*

N.Nazarbayev