

On Rehabilitation and Bankruptcy

Unofficial translation

The Law of the Republic of Kazakhstan dated 7 March 2014 No. 176-V.

Unofficial translation

Footnote. Throughout the text:

the word “(assets)” is excluded;

the words “Insolvency settlement procedure”, “on the insolvency settlement”, “insolvency settlement procedures” are replaced by the words “Debt restructuring procedure”, “on debt restructuring”, “debt restructuring procedures”, respectively;

the words “credits (loans)”, “credits”, “credit” are replaced by the words “loans”, “loans”, “loan”, respectively, in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

This Law governs public relations arising in case of a debtor’s failure to satisfy creditors’ claims in full, establishes the grounds for applying the debt restructuring procedure, rehabilitation procedure and declaring the debtor bankrupt, liquidating the debtor without initiating the bankruptcy procedure, and also determines the procedure and conditions for their implementation.

Footnote. The preamble of Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 1. GENERAL PROVISIONS

Article 1. Basic concepts used in this Law

The following basic concepts are used in this Law:

1) agricultural producer - an individual entrepreneur or legal entity producing agricultural products using land; producing agricultural products of animal, poultry husbandry (including those of full-cycle breeding that starts with rearing young animals), products of beekeeping, if income from the sale of these products, including processed ones, is over fifty percent of total annual income;

2) premeditated bankruptcy - actions of a founder (participant), an official, as well as an individual entrepreneur, committed for own benefit or in the interests of other persons in order to avoid obligations to creditors by alienating or concealing property during three years before the declaration of a legal entity or individual entrepreneur bankrupt;

3) administrator – an interim administrator, rehabilitation, interim and bankruptcy managers exercising powers during legal proceedings in accordance with this Law, as well as during a rehabilitation procedure and bankruptcy procedure;

4) administrative expenses - expenses related to the initiation and conduct of a rehabilitation procedure or bankruptcy procedure;

5) bankrupt - a debtor whose insolvency is declared by a final and binding court judgment ;

6) bankruptcy - insolvency of a debtor recognized by a court judgment and being a ground for its liquidation;

7) bankruptcy procedure - a procedure carried out in order to satisfy creditors' claims using the bankrupt's property mass in the manner prescribed by the laws of the Republic of Kazakhstan;

8) bankruptcy manager - a person appointed to carry out a bankruptcy procedure by the authorized body for rehabilitation and bankruptcy;

9) debtor - an individual registered as an individual entrepreneur (an individual entrepreneur), or a legal entity, which is subject or was subjected to the procedure on the grounds provided for by this Law;

Subparagraph 10) is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

10) group of homogeneous creditors - a group of creditors with identical claims against the debtor that have no advantage over each other in their satisfaction.

Groups of homogeneous creditors can consist of :

creditors for claims of compensation for damage to life or health;

creditors for wages and payment of compensations under labor contracts, as well as arrears in social contributions to the State Social Insurance Fund, in mandatory pension contributions, mandatory professional pension contributions, in deductions and (or) contributions for mandatory social health insurance;

creditors for secured obligations;

creditors for taxes and customs payments;

creditors for claims arising from contracts for the supply of goods, works and services;

creditors - financial organizations for claims arising from agreements for obtaining a loan (microloan) that are not secured by collateral;

creditors - holders of the debtor's bonds;

11) a single production complex - property, which, in the aggregate, ensures a single cycle of the production, procurement, storage, transportation, processing or sale of agricultural products;

12) amicable agreement - a procedure applied at any stage of the bankruptcy procedure in order to terminate it by concluding an agreement between the bankrupt and creditors, which is approved by court;

13) absent debtor - a debtor recognized as inactive in accordance with the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax

Code), the absence of which, and also of its founder (participant), official, is established in the manner determined by this Law;

14) ordinary commercial transactions - actions related to the debtor's ordinary operations, which are of a regular nature, including but not limited to making payments for the rent of premises and utilities, transactions with suppliers, purchasing raw materials, equipment maintenance, selling finished products and rendering services.

Ordinary commercial transactions do not include deals related to the alienation of real estate or other assets, the pledging of property, also for the obligations of third parties;

15) pledge creditor - creditor for obligations, the requirements of which shall be secured by the pledge of the debtor's property regulated by the legislation of the Republic of Kazakhstan;

Subparagraph 16) is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

16) creditor - a person having property claims against the debtor, which arise from the debtor's civil and (or) other obligations, including those for the payment of wages, payment of royalties, compensation under labor contracts, payment of arrears in social contributions to the State Social Insurance Fund, mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions for mandatory social health insurance, taxes, customs payments, special, anti-dumping, countervailing duties, interest, and other mandatory payments to the budget;

17) the creditors' committee - a representative body of creditors elected by the creditors' meeting in the course of rehabilitation and bankruptcy procedures and having the powers provided for by this Law;

18) register of creditors' claims - a list of creditors' claims against the debtor indicating their size, grounds and date of occurrence, which is formed in the course of rehabilitation or bankruptcy procedures in the manner prescribed by this Law;

19) town-forming legal entity - a legal entity assigned in accordance with the rules approved by the authorized body for regional development;

20) official - a member of the board of directors of a joint-stock company, the head (deputy head) of a legal entity - a debtor, as well as another person, who is a member of the collegial executive body of a legal entity, endowed with permanent or temporary powers to manage a legal entity, a chief accountant of a legal entity - a debtor, as well as another person temporarily performing his/her duties;

21) property mass - the property of the bankrupt, which can be foreclosed on in the course of the bankruptcy procedure, as well as the property of other persons in the cases provided for by this Law;

22) the authorized body for rehabilitation and bankruptcy (hereinafter referred to as the authorized body) - a state body in charge of state regulation in the field of rehabilitation and

bankruptcy (except for state-owned enterprises, institutions, banks, insurance (reinsurance) companies and accumulative pension funds);

23) rehabilitation manager - a person entrusted with the authority to manage the debtor during the rehabilitation procedure in the manner prescribed by this Law;

24) rehabilitation plan - a set of interrelated measures aimed at improving the debtor through the rehabilitation procedure and carried out on the basis of mutual consent of the debtor and creditors, in order to restore the debtor's solvency and preserve jobs, indicating the time frame for implementation, including the schedule for satisfying creditors' claims, as well as results achieved, resources used and possible risks;

25) rehabilitation procedure - a judicial procedure under which the debtor is subject to reorganization, organizational and economic, managerial, investment, technical, financial and economic, legal and other measures not inconsistent with the legislation of the Republic of Kazakhstan aimed at restoring solvency;

26) reverse factoring - a tripartite agreement concluded by the debtor (bankrupt), his/her/its debtor and third party, where the debtor transfers his/her/its obligation to the debtor (bankrupt) to the third party, and the latter fulfills the debtor's obligations to the debtor (bankrupt);

27) creditor for taxes and customs payments - a person having claims against the debtor, which arise from the debtor's obligations to pay taxes, customs payments, special, anti-dumping, countervailing duties, interest, as well as other mandatory payments to the budget;

28) reorganization - an event provided for by the rehabilitation plan, during which the owner of the property of a debtor (a body authorized by him/her/it), creditors or other persons provide the debtor with financial assistance, and also implements another set of measures to mobilize the debtor's reserves and improve his/her/its financial and economic situation;

29) interim administrator - a person who entered into an agreement on drawing up a register of creditors' claims and making an opinion on the debtor's financial stability during rehabilitation proceedings;

30) interim manager - a person who entered into an agreement on drawing up a register of creditors' claims and making an opinion on the debtor's financial stability during bankruptcy proceedings, and also on conducting bankruptcy procedure before the appointment of a bankruptcy manager, or appointed thereto by the authorized body in cases established by this Law;

31) affiliated entities - individuals or legal entities (with the exception of state bodies exercising control and supervisory functions within the powers granted to them, the national managing holding, the Unified housing construction operator), having the ability to directly and (or) indirectly determine decisions and (or) influence the decisions made by the party to

the rehabilitation or bankruptcy proceedings, including by virtue of the concluded agreement (the list of affiliated entities in the rehabilitation or bankruptcy proceedings is established by Article 9 of this Law);

32) factoring - a tripartite agreement concluded by the debtor (bankrupt), his/her/its debtor and third party, where the debtor (bankrupt) assigns or undertakes to assign a property claim to his/her/its debtor to the third party, and the latter transfers or undertakes to transfer money or other property in the disposition of the debtor (bankrupt) in exchange for the right to claim against the debtor of the debtor (bankrupt).

Footnote. Article 1 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the laws of the Republic of Kazakhstan dated 09.06.2020 No. 341-VI (effective from 01.07.2020); 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).

Article 2. Legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy

1. Legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy is based on the Constitution of the Republic of Kazakhstan and consists of this Law and other regulatory legal acts of the Republic of Kazakhstan.

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

Article 3. Special aspects of applying this Law

1. This Law applies to cases of debt restructuring, rehabilitation and bankruptcy of individual entrepreneurs and legal entities, as well as their liquidation without initiating the bankruptcy procedure, except for state-owned enterprises and institutions, accumulative pension funds, banks, insurance (reinsurance) companies.

In case of adoption of decision by the court on declaration of a bank, insurance (reinsurance) organization, pension saving fund as a bankrupt, their liquidation shall be carried out in accordance with the bank legislation of the Republic of Kazakhstan, legislation of the Republic of Kazakhstan on insurance and insurance activity, as well as pension benefits.

The peculiarities of the application of bankruptcy or rehabilitation procedures in relation to grain-receiving enterprises, as well as subjects of natural monopoly can be established by the legislation of the Republic of Kazakhstan.

2. Cases of debt restructuring, rehabilitation, bankruptcy of individual entrepreneurs and legal entities, as well as their liquidation without initiating the bankruptcy procedure, are considered by court in accordance with general rules for civil proceedings with account of special provisions established by this Law.

3. In case of bankruptcy of organizations and individual entrepreneurs that are natural monopoly entities or are of great strategic importance for the economy of the Republic of Kazakhstan, that can influence the life, health of citizens, national security or the environment, including organizations, whose blocks of shares (participatory interests in the authorized capital) are classified as strategic objects in accordance with the legislation of the Republic of Kazakhstan, and also those declared bankrupt on the initiative of the state, in order to protect the interests of citizens and the state the Government of the Republic of Kazakhstan, has the right to establish special conditions and procedure for the sale of property mass and additional requirements for purchasers of property mass, and also to make a decision on the acquisition of the property mass by the national managing holding in the event of bankruptcy of organizations, whose blocks of shares (participatory interests in the authorized capital) are classified as strategic objects in accordance with the legislation of the Republic of Kazakhstan, or organizations of great strategic importance for the economy of the Republic of Kazakhstan.

4. Upon bankruptcy of legal entities carrying out environment hazardous types of economic and other activity, the compulsory environmental audit of their activity shall be conducted in accordance with the Environmental Code of the Republic of Kazakhstan.

Footnote. Article 3 as amended by the Law of the Republic of Kazakhstan dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 05.01.2021 No. 409-VI (effective from 01.01.2022).

Article 4. Declaration of bankruptcy

1. Bankruptcy shall be established on a voluntary basis on the basis of application of the debtor to the court.

2. Bankruptcy shall be established compulsorily on the basis of application to the court of the creditors or other persons authorized by this Law.

3. In cases established by this Law, the debtor shall be obliged to refer to the court with the application on declaring it as bankrupt.

4. If the value of the property of a legal person, to be liquidated in accordance with a decision made under paragraph 1 of article 49 of the Civil Code of the Republic of Kazakhstan, is not sufficient to satisfy creditors' claims, a liquidation commission shall petition the court for declaring this legal person bankrupt in order to conduct bankruptcy proceedings according to the rules established by this Law.

5. The ground for declaring the debtor as bankrupt in a judicial proceeding is its insolvency.

The debtor's insolvency is established by court with account of an opinion on financial stability drawn up in accordance with Article 49 of this Law.

Footnote. Article 4 as amended by the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 5. Grounds for filing a bankruptcy petition and an application to liquidate a debtor with the initiation of the bankruptcy procedure with court

1. A ground for a debtor to file a bankruptcy petition and an application for its liquidation with the initiation of the bankruptcy procedure with court is his/her/its persistent insolvency.

Insolvency is persistent if the debtor's obligations exceed the value of his/her/its property as at the date of filing an application with the court and as at the beginning of the year in which the application is filed, and also as at the beginning of the year preceding the year of filing the application, in case it was filed by the debtor in the first quarter of a calendar year.

2. A ground for a creditor to file an application for declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure with court is the debtor's outstanding financial obligation to the creditor pursuant to a final and binding judicial act or a writ of execution on the collection of money from the debtor or recognition of the debt by the debtor, unless otherwise is provided for by this paragraph.

A ground for a creditor for taxes and customs payments to file an application for declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure with court is the debtor's failure to pay tax debts, as well as arrears in customs payments, special, anti-dumping, countervailing duties, interest after taking all enforced collection measures in the manner prescribed by the tax and customs legislation of the Republic of Kazakhstan.

Footnote. Article 5 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 5-1. Grounds for filing an application for the rehabilitation procedure and debt restructuring procedure with court

1. A ground for a debtor or creditor to file an application for the rehabilitation procedure with court is the debtor's temporary insolvency.

Insolvency is temporary in case of one or more circumstances being in place as of the date of filing the application:

Subparagraph 1) is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

1) obligations to creditors for claims of compensation for damage to life and health, recovery of alimony, obligations for wages, payment of compensation under labor contracts, payment of arrears in social contributions to the State Social Insurance Fund, mandatory pension contributions and mandatory professional pension contributions, deductions and (or)

contributions for mandatory social health insurance, as well as remuneration to authors for an employee invention, utility model, industrial design were not fulfilled within three months of their due date;

2) obligations to other creditors were not fulfilled within four months of their due date.

2. A ground for a debtor to file an application for the debt restructuring procedure with court is his/her/its temporary insolvency.

Footnote. Chapter 1 is supplemented with Article 5-1 in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 6. Liability for premeditated bankruptcy

1. A founder (participant) and (or) an official found guilty of premeditated bankruptcy in the course of administrative or criminal proceedings shall bear subsidiary liability to creditors with the property belonging to them in the amount determined in accordance with paragraph 3 of Article 96 of this Law.

If two or more persons are found guilty of premeditated bankruptcy in the course of administrative or criminal proceedings, such persons shall be jointly liable.

2. A bankruptcy manager, within ten working days of entry into force of a judicial act on bringing a founder (participant) and (or) an official to criminal or administrative liability, shall file a lawsuit against such a person to bring him/her to subsidiary liability and recover the amount determined in accordance with paragraph 3 of Article 96 of this Law.

A creditor also has the right to file a lawsuit in accordance with the procedure provided for in this article, if a founder (participant) and (or) an official are found guilty of premeditated bankruptcy in the course of administrative or criminal proceedings after the completion of the bankruptcy procedure.

Footnote. Article 6 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 7. Invalidation of the debtor's transactions and return of property

1. Transactions are invalidated if they were made by a debtor or a person authorized by him/her/it within three years prior to the initiation of rehabilitation and (or) bankruptcy proceedings, unless otherwise provided for by this Law, given grounds provided for by the civil legislation of the Republic of Kazakhstan and this Law.

If the bankruptcy procedure was applied to a debtor as a result of termination of the rehabilitation procedure, the time period specified in part one of this paragraph shall be calculated from the date of entry into force of a court judgment on the application of the rehabilitation procedure.

2. Grounds for invalidating transactions, except for those provided for by the Civil Code of the Republic of Kazakhstan, are as follows:

1) the price of the transaction made and (or) other conditions differ significantly for the worse for the debtor from the price and (or) other conditions under which similar transactions are made in comparable circumstances;

2) the transaction is out of scope of the debtor's activities, which are limited by the laws of the Republic of Kazakhstan, constituent documents, or was made in violation of the competence determined by the charter;

3) the property was transferred (also into temporary use) free of charge or at a price that significantly differs for the worse for the debtor from the price of an identical or similar product under comparable economic conditions or without grounds for transfer to the detriment of creditors' interests;

4) if the transaction, completed within six months prior to the initiation of the rehabilitation and (or) bankruptcy proceedings, resulted in preferential satisfaction of claims of some creditors over others;

5) gift contracts for the debtor's property, if such a transaction differs significantly from those concluded a year before the initiation of a rehabilitation or bankruptcy proceeding;

6) the transaction made without the intention to create appropriate legal consequences for such a transaction, to the detriment of creditors' interests.

3. In case of revealing transactions made under the circumstances specified in paragraphs 1 and 2 of this article, the administrator is obliged, also at the request of the creditor who identified the transaction, within ten working days of identification, file an application for invalidating such transactions with court.

4. If the transaction is recognized as invalid, the defendant is obliged to return everything received under the transaction, if it is impossible to return in kind - to reimburse the cost of the property subject to return, the cost of using the property, works performed or services rendered in money, unless other consequences of the transaction's invalidation are provided for by the Civil Code of the Republic of Kazakhstan.

In this case, the defendant gets the right to claim against the debtor, which is subject to satisfaction in accordance with paragraph 5 of Article 100 of this Law.

5. If it is impossible to return the property in the cases indicated in this article, or in case of gratuitous transfer of property in connection with its loss, damage or its subsequent acquisition by third parties in good faith, original purchasers of the claimed property shall be liable to the debtor for compensation of losses incurred in connection therewith to the extent of the value of property lost, damaged or acquired by third parties in good faith.

6. If it is impossible to reimburse the value of the property by the original purchaser, the person who made the decision to alienate the debtor's property shall be brought to subsidiary liability in court.

7. The requirements of this article do not apply to transactions:

- 1) of project financing, securitization;
- 2) concluded in the stock exchange trading system by open bidding;
- 3) committed by the debtor as part of ordinary commercial transactions, the conditions of which do not significantly differ from those of similar transactions entered into by the debtor in the course of his/her/its entrepreneurial activity within three years prior to the initiation of a rehabilitation and (or) bankruptcy proceeding.

8. The provisions of subparagraphs 1), 2), 3) and 4) of paragraph 2 of this Article shall not apply to a transaction (s) under a master financial agreement, except in the following cases:

- 1) the transaction (s) within the framework of the general financial agreement have been completed (executed) after the initiation of the rehabilitation and (or) bankruptcy case or within one month before the date of the initiation of the rehabilitation and (or) bankruptcy case;

- 2) a transaction (transactions) within the framework of a general financial agreement have been completed (completed) within one month before the date of revocation from the debtor of the license to engage in activities in the financial sphere and (or) activities related to the concentration of financial resources;

- 3) the transaction (s) within the framework of the master financial agreement were completed (executed) within six months before the date of initiation of the rehabilitation and (or) bankruptcy case with the debtor's affiliate or in his interest;

- 4) a transaction (transactions) within the framework of a general financial agreement was completed (completed) within six months before the date of initiation of a rehabilitation and (or) bankruptcy case or the date of revocation of the debtor's license to engage in financial activities and (or) activities related to the concentration of financial resources with a person who knew (or should have known) about the signs of temporary insolvency of the debtor;

- 5) under the transaction (s) within the framework of the master financial agreement, the parties were changed (except for changes in the parties as a result of universal succession) in one of the following cases:

- after initiation of the rehabilitation and/or bankruptcy case or within one month before the date of initiation of the rehabilitation and/or bankruptcy case;

- within one month before the date of revocation from the debtor of the license to engage in activities in the financial sphere and (or) activities related to the concentration of financial resources;

- within six months before the date of initiation of the rehabilitation and/or bankruptcy proceedings with the debtor's affiliate;

- within six months before the date of initiation of the rehabilitation and/or bankruptcy case or the date of revocation of the debtor's license to engage in activities in the financial sphere and/or activities related to the concentration of financial resources, with a person who has known (or should have known) about the signs of temporary insolvency of the debtor.

9. The invalidity of one or more transactions under the major financial agreement shall not invalidate the major financial agreement itself and the remaining transactions under the major financial agreement unless there are grounds for invalidating the major financial agreement and the remaining transactions.

If one or more transactions under the major financial agreement are invalidated after a net obligation (net demand) has been determined, the net obligation (net demand) is recalculated by the party to the transaction to which the net obligation (net demand) has been determined by excluding the results of the transaction or transactions that have been invalidated.

Footnote. Article 7 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended 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).

Article 8. Legal regime of contracts

1. Initiation of bankruptcy case is not the ground for unilateral refusal from fulfillment of the contract concluded by the debtor until initiation of bankruptcy case, at the initiative of the contracting party of the debtor and shall not entail termination of validity of this contract. Agreement of parties concluded before initiation of bankruptcy case on refusal from fulfillment of the contract and on termination of validity of the contract by the reason of initiation of a bankruptcy case shall be invalid.

2. Rehabilitation manager shall have the right to refuse from fulfillment of contracts concluded by the debtor before initiation of case of rehabilitation, not fulfilled by both parties in full or in part, in existence of one of the following circumstances:

1) contract is concluded with the affiliated person; 2) contract contains exacting terms for the debtor in comparison with previously concluded analogous contracts;

3) contract is long-termed (more than one year) or estimated for receipt of the results by the debtor only for long-term perspective;

4) there are other grounds to suppose than the fulfillment of the contract by the debtor entails unfavorable consequences for the rest creditors.

3. Bankrupt manager shall be obliged to change, dissolve, refuse from fulfillment or contest force of the contract concluded before initiation of bankruptcy case, require return of property transferred by the debtor on the basis of decision of the creditors' commission.

4. The offset of mutual claims between the debtor and his/her/its creditors is not allowed from the date of issuance of a court ruling to initiate a rehabilitation or bankruptcy proceeding and until the entry into force of a court ruling to terminate the rehabilitation or bankruptcy proceeding or a court judgment to apply the rehabilitation procedure to the debtor or declare the debtor bankrupt.

Rehabilitation or bankrupt manager shall be obliged to declare on offset of requirements to the creditor, if the offset of requirements do not violate the order of priority of satisfying

the requirements of creditors, is direct, mutual and without involvement of other persons. Offset shall be allowed only upon requirements on paying money.

5. Supplier of electrical and heating energy, services on hydroeconomic and sewage systems, communication, as well as on protection of property of the debtor shall not have the right to refuse from the contract concluded with the debtor by the reason of declaration of the debtor as bankrupt. Costs linked with fulfillment of such contracts after initiation of the case on rehabilitation or bankruptcy shall relate to administrative costs.

6. Provisions of paragraphs 1, 2, 3 and 4 of this Article, Article 28-2, paragraph 1 of Article 50, Article 51, paragraph 1 of Article 68, subparagraph 4) Article 76, Article 87, subparagraph 6) of Article 94, paragraph 3 of Article 101, Article 117 and paragraph 1 of Article 122 of this Law shall not apply to set-off of requirements and (or) liquidation netting under a transaction (s) under a major financial agreement.

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 settlement rules with creditors established by this Law.

Footnote. Article 8 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after 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 9. Affiliated persons

According to this Law, the affiliated persons are:

- 1) shareholder, founder (participant), debtor or creditor;
- 2) close relatives, husband (wife), close relatives of husband (wife) of individual entrepreneur-debtor, as well as individual mentioned in subparagraphs 1), 3) and 4) of this Article;
- 3) person linked with participant of the procedures of rehabilitation and bankrupt by the contract in accordance with which it shall have the right to determine decisions adopted by the debtor;
- 4) civil servants of participant of the procedures of rehabilitation and bankrupt or legal entity mentioned in subparagraph 1), 3), 5), 6) and 7) of this Article;
- 5) legal entity in respect of which, the participant of procedures of rehabilitation and bankruptcy is the shareholder, participant or has the right to the relevant share in property;
- 6) legal entity that jointly with participant of the procedures of rehabilitation and bankruptcy is under control of the third party;

7) another person who is an affiliated person of a participant in rehabilitation and bankruptcy procedures in accordance with the legislative acts of the Republic of Kazakhstan or recognized as affiliated by a court judgment.

Footnote. Article 9 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 10. Confidentiality

1. The authorized body and the administrator have the right to request and receive information on the debtor's financial and economic activities, also during the period before he /she/it was declared bankrupt, without obtaining the consent of the individual entrepreneur, the owner of the property (a body authorized by him/her/it), founders (participants in) of the bankrupt.

2. Disclosure of information on financial and economic activities by the administrator or an official of the authorized body to whom it is entrusted or known in the line of duty or through work, as well as the loss of documents containing such information, shall entail liability established by the laws of the Republic of Kazakhstan. This article also applies to persons involved by the administrator.

3. Transfer of information by the authorized body or administrator provided to them to the state bodies in cases provided by the Laws of the Republic of Kazakhstan is not divulgence of confidential information.

4. Upon conduct of procedures provided by this Law, the following information is not confidential:

- 1) about person appointed by the administrator;
- 2) about composition of the creditors' commission and decisions adopted by them;
- 3) about a sum of requirements included into the register of requirements of the creditors and about amount of their satisfying in the context of priorities;
- 4) about terms of conducting procedures;
- 5) about execution of the schedule of redemption of debts before the creditors;
- 6) about existence of complaints against the action (omission) of the administrator and results of their consideration;
- 7) about bringing of the administrator to the responsibility according to the facts of detected infractions;
- 8) about grounds for termination of rehabilitation procedure;
- 9) provided by the administrator to the creditors' commission for adoption of decision;
- 10) about judicial proceedings initiated by the authorized persons within realization of rights established by this Law.

Footnote. Article 10 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 11. Legal status of the debtor

1. The debtor has the right to:

1) file a bankruptcy petition, apply to court for the debt restructuring procedure, rehabilitation procedure, liquidation without initiating the bankruptcy procedure in the cases provided for by this Law;

2) conclude an amicable agreement during the bankruptcy procedure in the manner and on the terms provided for by this Law;

3) dispute the amounts of accounts payable in court, and also involve audit organizations for these purposes;

4) enjoy other rights provided for by the legislation of the Republic of Kazakhstan.

2. The debtor is obliged:

1) to file a bankruptcy petition in the event that the owner of his/her/its property (a body authorized by him/her/it), the body of a legal entity authorized by the constituent documents made a decision to liquidate it, and the value of the property is insufficient to satisfy creditors' claims in full;

2) provide the court and the administrator, within three working days from the date of the court's decision on initiating bankruptcy or rehabilitation proceedings, and in the cases provided for by this Law, from the date of appointment of the administrator, information on financial and economic activities, including data on the property that the debtor possesses, including the property encumbered with a pledge, in property lease (rent) and (or) in leasing, on the money held in bank accounts, on account numbers and location of banks, organizations engaged in certain types of banking operations, on the amount of accounts receivable;

3) before filing an application for the rehabilitation procedure with court, to conclude an agreement on the exercise of powers of an interim administrator with a person whose notification is included in the register of notifications of persons entitled to carry out the activities of an administrator;

4) before filing a bankruptcy petition, to conclude an agreement on the exercise of the powers of an interim manager with a person whose notification is included in the register of notifications of persons entitled to carry out the activities of an administrator;

5) to submit the documents specified in paragraph 2 of Article 115 of this Law to the authorized body, within three working days of the court judgment on liquidating the debtor without initiating the bankruptcy procedure;

6) transfer to the rehabilitation manager within three working days from the date of his appointment the constituent documents, seals (if any), stamps, within fifteen working days - accounting documentation, documents of title to the property of the debtor, within two months - material and other valuables;

7) to transfer to the interim manager constituent documents, seals (if any), stamps within three working days of the court judgment on declaring the debtor bankrupt, within ten

working days - accounting documentation, documents of title to the bankrupt's property, within twenty working days - material and other valuables belonging to the bankrupt;

8) to provide the interim manager with access to the accounting documentation for study by viewing;

9) to provide the interim administrator with access to the accounting documentation for study by viewing;

10) to ensure the completeness and reliability of accounting documents, accounting systems and financial reporting;

11) during the rehabilitation procedure, provide information on the progress of his activities to any creditor upon request in writing and (or) in an electronic document no later than three working days from the date of receipt of the request, with the exception of information that is confidential;

12) on the basis of a request, to provide information on, explanations about the financial situation and economic activities of the debtor to the court, rehabilitation, interim or bankruptcy manager and the creditors' committee;

13) on or before the 15th day of each month, to bring to the attention of the creditors' committee information on the financial condition, transactions made in the course of ordinary commercial transactions over a previous month during the period of the rehabilitation procedure;

14) to fulfill other obligations provided for by this Law.

3. In cases where the management of the debtor in the rehabilitation procedure is entrusted to an individual entrepreneur - a debtor or a body or person authorized by the owner of property, founder (participant in) of a legal entity - a debtor, the latter exercises powers within the competence and responsibility established by the legislation of the Republic of Kazakhstan, provided for by this Law for a rehabilitation manager.

4. For violating the provisions of subparagraphs 1), 2), 7) and 8) of paragraph 2 of this article, if the debtor's property is insufficient to satisfy the creditors' claims in full, an official, whose duties include fulfilling the requirements specified in subparagraphs 1), 2), 7) and 8) of paragraph 2 of this article, bears subsidiary liability in accordance with the laws of the Republic of Kazakhstan to the extent of the bankrupt's obligations to creditors that remained unfulfilled as a result of the bankruptcy procedure.

Footnote. Article 11 is amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 12. An administrator

1. The following persons, who submitted a notification of the commencement of the administrator's activity to the authorized body in the manner prescribed by this Law, may act as an administrator:

- 1) an individual who meets the requirements established by paragraph 2 of this article;
- 2) a professional accountant.

The powers assigned by this Law to the administrator cannot be transferred to other persons, except for the cases provided for in paragraph 2 of Article 78 and Article 118-1 of this Law, as well as the Law of the Republic of Kazakhstan "On Equity Participation in Housing Construction".

2. Requirements for the persons, specified in subparagraph 1) of paragraph 1 of this article, for carrying out activities as an administrator are as follows:

- 1) higher education in the field of law, economics and business;
- 2) work experience of at least three consecutive years in the legal, economic, accounting, financial, auditing or control and auditing areas;
- 3) is not registered with mental health care organizations on account of mental, behavioral disorders (diseases), including those associated with the use of psychoactive substances;
- 4) the person shall have no unspent or unexpunged conviction;
- 5) the person shall not be recognized incapable or partially incapable by court.

3. The basis for entering the applicant's notification into the register of notifications of persons entitled to carry out the activities of an administrator is the applicant's submission of a notification of the commencement of activities to the authorized body through the state information system of permits and notifications.

The notification shall be submitted together with:

1) the Commission's decision on successful qualification exam of a person claiming the right to carry out the activities of an administrator - if the applicant is the person specified in subparagraph 1) of paragraph 1 of this article.

The Commission's decision on successful qualification exam of a person claiming the right to carry out the activities of an administrator is valid during one year of such an exam;

2) a professional accountant certificate - if the applicant is a person specified in subparagraph 2) of paragraph 1 of this article.

4. When changing the data specified by the applicant in the notification, the applicant shall, within ten working days of the change in the data, send a notification thereof to the authorized body.

Upon termination of his/her activities, the administrator is obliged to send a relevant notification to the authorized body.

If the administrator participates in the capacity of a rehabilitation and (or) bankruptcy manager, a notification of voluntary termination of activities shall be submitted together with a copy of the minutes of the creditors' meeting on the selection of a new candidate for rehabilitation and (or) bankruptcy managers in respect of each debtor.

5. An affiliate cannot be appointed as an administrator.

A person, who exercised the authority to manage the debtor in the course of the rehabilitation procedure, which was terminated on the grounds provided for in subparagraph 2) of paragraph 1 and subparagraph 3) of paragraph 3 of Article 82 of this Law, cannot be appointed to exercise the authority to manage the debtor under the rehabilitation procedure within two years of entry into force of a court ruling on the termination of the rehabilitation procedure.

A person removed from the register of notifications of persons entitled to carry out the activities of an administrator on the grounds provided for in subparagraphs 3), 4) and 6) of paragraph 8 of this article cannot be an administrator if less than three years have passed since the date of removal.

6. For the period of the rehabilitation procedure and the bankruptcy procedure, all bodies of the debtor are suspended from management and the sole governing body of the debtor is:

a rehabilitation manager (in case of his/her appointment under the rehabilitation procedure) or a reorganization participant - from the date of entry into force of a court ruling on the approval of a rehabilitation plan;

an interim manager - from the date of entry into force of a court judgment on declaring the debtor bankrupt until the appointment of a bankruptcy manager;

a bankruptcy manager - from the date of his/her appointment.

Rehabilitation and bankruptcy managers, reorganization participant are obliged to exercise their powers at the location of the debtor.

The provisions of part one of this paragraph shall not apply in the case specified in subparagraph 1) of paragraph 1 of Article 69 of this Law.

7. The authorized body shall dismiss a rehabilitation or bankruptcy manager from performing his/her powers in relation to a certain debtor in cases of:

1) his/her refusal to exercise his/her powers in accordance with part one of paragraph 5 of this article;

2) the decision of the creditors' meeting to dismiss him/her;

3) revealing, as a result of inspection, violations of the requirements established by this Law and other laws of the Republic of Kazakhstan;

4) sending him/her the notification specified in paragraph 7 of Article 18 of this Law more than thrice within twelve consecutive calendar months.

The dismissal of the rehabilitation or bankruptcy manager in accordance with the provisions of this paragraph does not entail his/her suspension from exercising the powers of an administrator in relation to other debtors and does not prevent him/her from being vested with the powers of an administrator in relation to other debtors.

8. The authorized body shall remove the administrator's notification from the register of notifications of persons entitled to carry out the activities of an administrator in cases of:

1) an applicant's failure to submit the documents specified in part two of paragraph 3 of this article;

2) refusal to exercise the powers of the administrator more than twice within twelve consecutive calendar months, except for refusal to fulfill the powers in accordance with part one of paragraph 5 of this article;

3) a failure of the administrator to inform on circumstances that prevented his/her appointment as a rehabilitation or bankruptcy manager in accordance with part one of paragraph 5 of this article, if they are revealed by the authorized body during the rehabilitation procedure or bankruptcy procedure;

4) violation of the requirements of this Law, which hurt interests of a creditor or a debtor, the fact which was established by a final and binding judicial act;

5) a failure to submit documents confirming professional development;

6) termination of a criminal case or exemption from criminal liability for committing criminal offenses in the field of economic activity, as well as committing corruption and other criminal offenses against the interests of the public service and public administration on the grounds specified in paragraphs 3), 4), 9) and 12) of part one of Article 35 or part one of Article 36 of the Criminal Procedure Code of the Republic of Kazakhstan;

7) entry into force of a judgment of conviction against this person;

8) registration with mental health care organizations on account of mental, behavioral disorders (diseases), including those associated with the use of psychoactive substances;

9) recognition as incapable or partially incapacitated by court;

10) the administrator's submission of a notification of termination of his/her activity;

11) death or declaration as deceased or recognition as missing by court.

9. A notification is removed from the register of notifications of persons entitled to carry out the activities of an administrator by the authorized body within the following time frames:

1) in the case specified in subparagraph 1) of paragraph 8 of this article - within one working day of discovery;

2) in the cases specified in subparagraphs 2), 3), 4), 6), 7), 8), 9), 10) and 11) of paragraph 8 of this article - within five working days of discovery;

3) in the case specified in subparagraph 5) of paragraph 8 of this article - within twenty working days of the beginning of a year following the year of expiration of the deadline for advanced training.

10. The authorized body, within three working days of the notification's removal from the register of notifications of persons entitled to carry out the activities of an administrator, sends information on the removal of a rehabilitation or bankruptcy manager from such a register to the creditors' meeting.

11. In the event of dismissal of a rehabilitation or bankruptcy manager from the performance of the assigned powers or removal of his/her notification from the register of notifications of persons entitled to carry out the activities of an administrator, the powers

provided for by this Law shall continue to be exercised by a newly appointed rehabilitation or bankruptcy manager.

12. The administrator is obliged to improve his/her qualification in the manner determined by the authorized body.

Supporting documents on advanced training are submitted once every three years. The calculation of the term begins from a year following the year of the notification's entry into the register of notifications of persons entitled to carry out the activities of an administrator.

The documents specified in this paragraph shall be submitted by the end of the year in which the advanced training was completed.

13. The administrator has the right to interact with the authorized body and other persons electronically in the manner determined by the authorized body.

Footnote. Article 12 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 07.07.2020 No. 361-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 13. Remuneration of an administrator

1. The basic remuneration of an interim administrator and interim manager shall be paid at the expense of the debtor or creditor who filed an application for the rehabilitation procedure or a bankruptcy petition with court

The amount of the basic remuneration is determined by an agreement on the exercise of the powers of an interim administrator or interim manager, concluded between the debtor or creditor and the person entitled to carry out the activities of the administrator, and cannot be lower than the minimum limit established by the authorized body.

The agreement specified in part two of this paragraph is concluded prior to filing an application for the rehabilitation procedure or a bankruptcy petition with court and becomes effective on the date of a court ruling on the initiation of a rehabilitation or bankruptcy proceeding.

The debtor or creditor has the right to set the amount of the basic remuneration of the interim administrator or interim manager above the minimum limit established by the authorized body.

The creditor who paid the basic remuneration to the interim administrator or interim manager shall be refunded the amount paid at the expense of the debtor's property in the event of application of the rehabilitation procedure or bankruptcy procedure.

If the applicant is a creditor for taxes and customs payments, a state body or a legal entity partially owned by the state, the basic remuneration of the interim manager is paid:

1) in accordance with paragraph 3 of Article 110 of this Law, in the amount of the minimum limit established by the authorized body - if in the course of the bankruptcy

procedure the circumstances specified in paragraph 2 of Article 110 of this Law were established in the aggregate;

2) at the expense of the debtor's property in the amount of the minimum limit established by the authorized body - if in the course of the bankruptcy procedure the circumstances specified in paragraph 2 of Article 110 of this Law were not established in the aggregate.

2. The minimum and maximum limits of the basic remuneration of a bankruptcy manager shall be established by the authorized body.

The amount of the basic remuneration of the bankruptcy manager is determined by the creditors' meeting within the limits established by the authorized body.

If a deadline for carrying out the procedure established by paragraph 1 of Article 84 of this Law is missed, the basic remuneration of the bankruptcy manager shall be reduced and paid in the amount of:

seventy five percent of the amount of the basic remuneration established on the basis of the decision of the creditors' meeting - starting from the month following the month in which the term for conducting the bankruptcy procedure exceeded nine months;

fifty percent of the amount of the basic remuneration established on the basis of the decision of the creditors' meeting - starting from the month following the month in which the term of the bankruptcy procedure exceeded two years.

The amount of the basic remuneration of the rehabilitation manager is determined by the creditors' meeting.

3. The bankruptcy manager shall be paid additional remuneration at the expense of the debtor's property in case of satisfaction:

1) of less than twenty-five percent of the creditors' claims included in the register of creditors' claims - one percent of the amount allocated to satisfy the claims;

2) from twenty-five to fifty percent of the creditors' claims included in the register of creditors' claims - two percent of the amount allocated to satisfy the claims;

3) from fifty to seventy-five percent of creditors' claims included in the register of creditors' claims - three percent of the amount allocated to satisfy the claims;

4) of more than seventy-five percent of creditors' claims included in the register of creditors' claims - four percent of the amount allocated to satisfy the claims.

For the purposes of this paragraphs, the creditors' claims included in the register of creditors' claims shall be understood to mean claims of the second, third, fourth and fifth priorities of the register, unless otherwise provided for by part three of this paragraph.

When calculating the additional remuneration of a bankruptcy manager, the amount of claims of secured creditors, satisfied in accordance with Article 104-1 of this Law, is not taken into account, as well as the amounts received into the property mass of the bankrupt as a result of execution of a judicial act on bringing the founder (participant) and (or) an official to subsidiary liability.

Additional remuneration of the bankruptcy manager is payable subject to the satisfaction of claims of the first-priority creditors in full.

4. The bankruptcy manager is obliged to open a special bank account of the debtor for crediting the amount of additional remuneration.

Money arriving at a special bank account shall be received by a person who carried out the activities of the bankruptcy manager, on the basis of a final and binding court ruling on the completion of the bankruptcy procedure.

The special account shall be closed within three working days of receipt of the money, specified in part two of this paragraph, at the request of the person who carried out the activities of the bankruptcy manager.

5. The additional remuneration of the rehabilitation manager is subject to payment in the amount determined by the creditors' meeting if the goals of the rehabilitation procedure are achieved.

6. The creditor has the right to pay bonus remuneration to the bankruptcy manager using funds going to satisfy his/her claims. The size of and procedure for the payment of the bonus are determined by the creditor independently.

Footnote. Article 13 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 14. Competence of the Government of the Republic of Kazakhstan in the field of rehabilitation and bankruptcy

Government of the Republic of Kazakhstan shall perform the functions provided by this Law and other functions imposed on it by the Constitution, Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Article 15. Competence of the authorized body

Authorized body shall:

1) maintain the register of notifications of persons entitled to carry out the activity of an administrator;

1-1) post a list of persons entitled to carry out the activities of an administrator on the website of the authorized body;

1-2) appoint a person, selected by a creditor for taxes and customs payments, a state body or a legal entity partially owned by the state, as an interim manager;

1-3) develop and approve the rules for selecting an interim manager, if the applicant is a creditor for taxes and customs payments, a state body or a legal entity partially owned by the state;

2) appoint candidacy to the rehabilitation or bankruptcy managers nominated by the creditors' meeting;

- 3) dismiss rehabilitation and bankruptcy managers;
- 4) exercise state control over compliance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy;
- 5) consider current information on the progress of the rehabilitation procedure from the rehabilitation manager, on the progress of the bankruptcy procedure – from the interim manager, bankruptcy manager;
- 6) approve the forms of concluding report of the rehabilitation and bankruptcy managers;
- 7) request confirming documents from the participant of a financial sanation;
- 8) monitor compliance with the procedure for holding an electronic auction for the sale of the debtor's property;
- 9) coordinate sale by the temporary manager of the bankrupt's property in case provided by this Law;
- 10) notify the law enforcement bodies about available data indicating the presence of signs of premeditated bankruptcy;
- 11) consider complaints about actions (inaction) of the administrator;
- 12) take measures on detection of transactions consummated upon circumstances mentioned in Article 7 of this Law;
- 13) develop and approve the rules for posting a list of persons entitled to carry out the activities of an administrator, appointing and removing rehabilitation and bankruptcy managers on the website of the authorized body;
- 14) **is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);**
- 15) request and receive information on debtors subjected to the rehabilitation or bankruptcy procedure from state bodies, legal entities and their officials; 16) provide information to the temporary and bankruptcy managers on existence and numbers of banking accounts of the person in respect of whom there is the court decision that entered into legal force on declaring as bankrupt, on balances and financial motions on these accounts;
- 17) contest decisions and actions (omission) of the administrator in court in case of detection of the breach of this Law;
- 18) render electronic services with application of informational systems in accordance with the legislation of the Republic of Kazakhstan on informatization;
- 19) draw up protocols and consider the cases on administrative infractions, impose administrative sanctions within the competence in cases and in the manner established by the Law;
- 20) *is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 No. 269-V (shall be enforced from 01.01.2015);*
- 21) within the limits of its competence, give explanations and comments on the introduction, conduct and termination of procedures for debt restructuring, rehabilitation, bankruptcy and liquidation without initiating the bankruptcy procedure;

22) approve standard forms of an opinion of the interim administrator, interim manager and rehabilitation manager on the financial stability of the debtor, and also of the bankruptcy manager on the financial stability of the debtor, taking into account the implementation of the measures provided for by the rehabilitation plan;

23) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

23-1) is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication);

23-2) develop and approve the rules for the qualification exam;

23-3) develop and approve occupational profile for administrators;

24) 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 15 as amended by the Laws of the Republic of Kazakhstan dated 16.05.2014 No. 203-V (shall be enforced upon expiry of six months after the date of its first official publication); dated 29.12.2014 No. 269-V (shall be enforced from 01.01.2015); dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 04.07.2023 No. 15-VIII (shall be enforced sixty calendar days from the date of its first official publication).

Article 16. Interaction of the authorized body with the state bodies

1. Authorized body shall interact with state bodies, ensure mutual informational exchange.

2. State bodies shall be obliged to render assistance to the authorized body in performance of tasks on carrying out the activity in the field of rehabilitation and bankruptcy.

3. Authorized body shall have the right to carry out interaction with state bodies by electronic methods in the manner established by the legislation of the Republic of Kazakhstan

Article 16-1. Interaction between participants in the rehabilitation and bankruptcy procedure

Participants in the rehabilitation and bankruptcy procedure shall have the right to interact electronically in the manner prescribed by the legislation of the Republic of Kazakhstan.

When interacting electronically, participants in rehabilitation and bankruptcy procedures shall use the web application of the authorized body's Internet resource.

Footnote. Chapter 1 is supplemented with Article 16-1 pursuant to the Law of the Republic of Kazakhstan dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 17. State control over compliance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy

1. State control over compliance with the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy is carried out in the form of an inspection and preventive control.

2. The procedure for organizing and conducting an inspection and preventive control with a visit to the subject of control is determined by the Entrepreneurial Code of the Republic of Kazakhstan.

Preventive control without visiting the subject of control is carried out in accordance with the Entrepreneurial Code of the Republic of Kazakhstan and this Law.

Footnote. Article 17 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 18. Preventive control without visiting the subject of control

1. The goals of preventive control without visiting the subject of control are timely suppression, prevention of violations and enabling the subject of control to independently eliminate violations identified by the authorized body.

The subject of control is an administrator.

2. The way to carry out preventive control without visiting the subject of control is mutual comparison of data and information received by the authorized body, which include:

1) current and requested information on the progress of the rehabilitation procedure or bankruptcy procedure.

The form, procedure and terms for providing such information are established by the authorized body;

2) information from authorized state bodies, as well as from other sources, on the activities of the administrator and the debtor.

The state body, an individual and a legal entity, with regard to which the request of the authorized body has been received, are obliged, in the cases and in the manner prescribed by the laws of the Republic of Kazakhstan, to disclose any confidential information (banking, tax, commercial secrets) and submit copies of any documents containing confidential information relating to the debtor and the rehabilitation or bankruptcy procedure carried out by the administrator.

The time frame for executing the request of the authorized body is ten working days of its receipt, except for cases when a longer execution period is indicated in the request itself.

3. If, as a result of preventive control without visiting the subject of control, violations are revealed, it is necessary to send a notification in the form established by the authorized body, within five working days of their identification.

The notification shall be delivered to the subject of control in person against signature or in any other way, confirming the facts of its sending and receiving.

A notification sent in one of the following ways is considered delivered in the following cases:

- 1) by courier - from the date of a note of receipt in the notification;
- 2) by mail - from the date of notification of receipt of the postal item by registered mail;
- 3) electronically - from the date of sending through the web application of the authorized body's Internet resource.

4. A notification of elimination of violations identified as a result of preventive control without visiting the subject of control shall be executed within ten working days of the day following the day of its delivery.

5. In case of disagreement with the violations indicated in the notification, the subject of control has the right to file to the authorized body that sent the notification, an objection in writing and (or) in the form of an electronic document within five working days from the day following the date of the notification delivery.

6. A failure to comply with the notification on the elimination of violations identified as a result of preventive control without visiting the subject of control within the prescribed period entails the scheduling of preventive control with a visit to the subject of control by including it in the half-year list of preventive control with a visit to the subject of control.

7. If the authorized body reveals violations that cannot be eliminated, it is necessary to send a notification to the administrator in the form established by the authorized body, within five working days of the violation's identification.

8. Preventive control without visiting the subject of control is carried out on a quarterly basis.

Footnote. Article 18 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by Laws dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 19. Direction of requests and receipt of information on the course of conducting the procedures

Footnote. Article 19 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 20. Notifications

Footnote. Article 20 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 21. Procedure for provision and receipt of current and requested information of the administrators

Footnote. Article 21 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 2. CREDITORS Article 22. Creditors' participation in the rehabilitation procedure and bankruptcy procedure

1. In the course of rehabilitation and bankruptcy procedures, the interests of all creditors are represented by the creditors' meeting set up in accordance with this Law.

2. The creditor has the right to appeal against a court judgment, the actions of the administrator in the course of the rehabilitation procedure or the bankruptcy procedure, if these decisions or actions infringe upon his/her legitimate interests.

Footnote. Article 22 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 23. The creditors' meeting

1. The right to participate in the creditors' meeting in the course of rehabilitation and bankruptcy procedures belongs to creditors whose claims are included in the register of creditors' claims as of the date of holding the creditors' meeting.

An individual entrepreneur - a debtor, an owner of property (a person authorized by him/her), founders (participants in) of a legal entity - a debtor and representatives of the authorized body have the right to participate in the creditors' meeting.

2. The powers of the creditors' meeting are provided for by Articles 75 and 93 of this Law

Footnote. Article 23 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 24. Order of convening creditors' meeting

1. The creditors' meeting shall be organized and held by the administrator, unless otherwise provided for by this paragraph.

The creditors' meeting is organized by the creditors' committee when considering the dismissal of the rehabilitation manager, as well as the dismissal of the bankruptcy manager and simultaneous selection of the bankruptcy manager.

2. Creditors' meeting may be created at the initiative of:

- 1) debtor;
- 2) administrator;
- 3) creditors' commission;

4) creditors the requirements of which are no less than ten percent from total sum of requirements of the creditors included into the register, or no less than ten percent of total number of the creditors.

Footnote. Article 24 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 25. Informational message on holding the creditors' meeting

1. For the purposes of this Law, creditors and also other persons entitled to participate in a meeting of creditors are deemed to be properly notified, if:

1) the authorized body published a notice on a meeting of creditors in the Kazakh and Russian languages on the Internet resource at least ten working days before the date of the meeting of creditors;

2) a notice on a meeting of creditors in the Kazakh and Russian languages was delivered to a creditor by hand against receipt at least ten working days before the date of the meeting of creditors;

3) a notice on a meeting of creditors was sent to a creditor by registered mail at least fifteen working days before the date of the meeting of creditors;

4) sending an electronic message through the web application of the authorized body's Internet resource no later than ten working days before the date of the meeting of creditors.

If it is impossible to notify the creditor as prescribed in subparagraph 2) of part one of this paragraph, the methods established by subparagraphs 1) and 4) of the first part of this paragraph shall be recognized as proper notification of such a creditor.

If the debtor has an Internet resource, it is mandatory to publish a notice on a meeting of creditors in the Kazakh and Russian languages on this Internet resource at least ten working days before the date of the meeting of creditors.

The effect of this paragraph does not extend to notifying creditors about the first meeting of creditors held in the course of rehabilitation or bankruptcy proceedings. The procedure for sending a notice on the first meeting of creditors to creditors is determined by:

paragraph 6 of article 72 of this Law - for rehabilitation proceedings;

paragraph 1 of article 91 of this Law- for bankruptcy proceedings.

The administrator, and in cases where the creditors' meeting is organized by the creditors' committee - the chairman of the creditors' committee, within two working days of creditors' notification of the creditors' meeting, shall send a notification of the creditors' meeting in the Kazakh and Russian languages to the authorized body for posting it on the website of the authorized body.

The authorized body must place the notice on its Internet resource within two working days from the day of its receipt.

2. Message on holding the creditors' meeting shall contain the following details:
name, legal address of the debtor;

date, time and place of holding the creditors' meeting;
agenda of the creditors' meeting;
procedure for familiarization with materials subjected to consideration by the creditors' meeting.

The agenda shall contain issues proposed for consideration, which are directly within the competence of the creditors' meeting. When forming the agenda, it is not allowed to use wordings of extended interpretation.

3. In case of impossibility of directly participation in the meeting, the creditor shall have the right to vote by absentee ballot, as well as by registered mail or by electronic method, with the exception of the first creditors' meeting.

If the creditor votes in absentia, he/she shall notify the rehabilitation or bankruptcy manager thereof at least five working days before the meeting.

Rehabilitation or bankruptcy manager shall be obliged to direct or represent materials related to the agenda for familiarization of the creditor no later than three business days before holding the meeting.

Footnote. Article 25 as amended by the Law of the Republic of Kazakhstan dated 27.02.2017 № 49-VI (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 26. The decision making procedure by creditors meeting during the rehabilitation procedure and bankruptcy proceedings

1. The general procedure for competence and decision making by creditors meeting shall be determined in accordance with this Article.

The specifics of competence and decision making procedure by creditors meeting shall be determined by:

paragraph 6 of Article 99 of this Law - in case of direct sale of the debtor's property;

Article 26-1 of this Law - upon approval of the rehabilitation plan;

Article 26-2 of this Law - upon making amendments and (or) additions to the rehabilitation plan.

2. The creditors' meeting shall be competent if attended by creditors, including those voting in absentia, having fifty or more percent of the total number of votes of creditors eligible to vote for a decision made by the creditors' meeting.

It is not allowed to postpone the consideration of issues on the agenda of the creditors' meeting if the latter is competent with account of the provisions of part one of this paragraph.

A re-convened meeting of creditors is competent if attended by creditors having at least twenty-five percent of the total number of votes of creditors eligible to vote for a decision

made by the creditors' meeting provided that creditors were duly notified of the time and place of the creditors' meeting.

3. Decisions of a meeting of creditors shall be made by the majority of votes of the number of votes of creditors, including those voting in absentia, attending the meeting of creditors, except for cases provided by Articles 26-1 and 26-2 of this Law.

The administrator, and in cases where the creditors' meeting is organized by the creditors' committee - the chairman of the creditors' committee, determines the number of votes of each creditor on the basis of "one tenge of claims - one vote" for making decisions by creditors.

Penalty (fines, late fee), losses in the form of lost profits, as well as other property and (or) financial sanctions shall not be taken into account for the purposes of determining the number of votes at a meeting of creditors, unless otherwise provided for by this Paragraph.

For the purposes of determining the number of votes at a meeting of creditors, creditors' claims in the form of a penalty (fine, late fee), losses in the form of lost profits, as well as other property and (or) financial sanctions shall be taken into account in cases such as:

- 1) full satisfaction of claims of creditors having the right to vote for a decision at a meeting of creditors;
- 2) formation of a register of creditors' claims consisting solely of those to pay penalty (fines, late fee), losses in the form of lost profits, other property and (or) financial sanctions by the decision of a court.

As claims of a creditor are satisfied, the number of his/her votes shall be reduced by the amount of satisfied claims.

Part five of this paragraph does not apply when determining the eligibility of and making a decision by the creditors' meeting in case of considering the approval of a final report.

When voting on each agenda item of the meeting, creditors shall express their votes in the words "for" or "against".

4. When making decisions by the meeting of creditors, they shall not have the right to vote:

- 1) creditors deprived of the right to vote in accordance with paragraph 3 of Article 72 and paragraph 5 of Article 90 of this Law;
- 2) creditors who are affiliates with respect to the debtor, until full satisfaction of the claims of other creditors.

For the purposes of determining the votes of creditors, when making a decision by the meeting, the creditor shall not be considered participating in the meeting of creditors in case of his refusal to vote.

If the creditor shall not appear at the meeting of creditors without a good reason twice, the number of votes of such a creditor shall not be taken into account when determining the competency of the meeting of creditors.

As a good reason, if there is a supporting document, the following shall be recognized:

- 1) temporary incapacity to labour of the creditor or his authorized representative;

2) the occurrence of an emergency preventing the participation of the creditor or his authorized representative in the meeting of creditors;

3) another reason by decision of the meeting of creditors.

5. The administrator, and in cases where the creditors' meeting is organized by the creditors' committee - the chairman of the creditors' committee, prior to the opening of the creditors' meeting, shall register the meeting's participants.

The decisions of the creditors' meeting are documented by the minutes.

The creditors' meeting is chaired by a chairman elected from among attending creditors eligible to vote. The minutes are kept by a secretary elected from among attending creditors eligible to vote. The chairman and secretary are elected by a simple majority of attending creditors. The minutes are signed by the chairman, administrator, secretary on the day of the meeting and certified by the debtor's seal (if any).

The administrator is not required to sign minutes of the creditors' meeting if the latter is organized by the creditors' committee in the cases specified in subparagraphs 10-1) and 10-2) of Article 76 and subparagraph 7) of Article 94 of this Law.

The minutes of the creditors' meeting shall be drawn up by the secretary in three copies, one of which, after signing, is transferred to the authorized body within three working days, the second - to the creditors' committee, the third - to the administrator.

The minutes of the creditors' meeting shall also contain the copies of:

1) a sheet of registered meeting participants;

2) materials presented to the meeting participants for familiarization and (or) approval;

3) documents confirming proper notification of creditors about the date and place of the creditors' meeting;

4) other documents at the discretion of the administrator or the chairman of the creditors' committee.

6. A decision of the creditors' meeting may be appealed by procedures' participants within one month of its adoption.

Footnote. Article 26 is in the wording of the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 26-1. Agreement of the rehabilitation plan

1. In coordination of a rehabilitation plan, the creditors' meeting shall be deemed competent, when it is attended by creditors whose interests are affected by this plan, having more than fifty percent of the total number of creditors' votes, whose claims are subject to satisfaction in the second and fourth lines separately.

2. The rehabilitation plan shall be considered agreed if voted for at the same time:

- 1) the majority of votes of the number of votes of creditors of the second priority;
- 2) the majority of votes of the number of votes of creditors of the fourth priority.

In case of non-compliance with one or both of the conditions provided by Subparagraphs 1) and 2) of part one of this Paragraph, the rehabilitation plan shall be considered unagreed.

Footnote. Chapter 2 is supplemented by Article 26-1 in accordance with the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated June 29, 2020 No. 352-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 26-2. Introduction of changes and (or) additions to rehabilitation plan

1. When approving the introduction of changes and (or) additions to the rehabilitation plan, the meeting of creditors shall be competent if it is attended by creditors, whose interests shall be affected by changes and (or) additions made to the rehabilitation plan, including creditors whose claims must be satisfied in one priority with such creditors and (or) as part of subsequent priorities, having a number of votes comprising more than fifty percent of the number of creditors' votes, the claims of which shall be satisfied in each priority separately.

2. The decision of the meeting of creditors on approval of amendments and (or) additions to the rehabilitation plan shall be taken by creditors whose interests are affected by the amendments and (or) additions made to it, including creditors, the claims of which must be satisfied in one priority with such creditors and (or) as part of subsequent priorities, if a majority of votes for each priority shall be voted for separately.

3. In case of non-compliance with the conditions provided by this Article, the introduction of changes and (or) additions to the rehabilitation plan shall be considered unagreed.

4. If the votes of the creditors are equal in a separate vote upon agreement of introduction the amendments and (or) additions to the rehabilitation plan, decisions of the meeting of creditors shall be adopted by a majority of the total number of votes of creditors, including absentee voters, participating in the meeting of creditors on the "one tenge of claims - one vote" basis.

Footnote. Chapter 2 is supplemented by Article 26-2 in accordance with 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).

Article 27. The creditors' committee

1. In case of rehabilitation and bankruptcy procedures, it is necessary to set up the creditors' committee in the manner prescribed by this Law.

If it is impossible to comply with the requirement for the minimum number of members of the creditors' committee provided for by part one of paragraph 2 of this article, the powers of the creditors' committee shall be exercised by the creditors' meeting.

2. The composition of the creditors' committee is formed and approved by the creditors' meeting. The minimum number of members of the creditors' committee shall be at least three people.

The creditors' committee shall include one creditor from each group of homogeneous creditors, unless otherwise provided for by this paragraph.

A creditor who does not form a group of homogeneous creditors due to the absence of other creditors with identical claims against the debtor may be included in the creditors' committee.

A member of the creditors' committee may not be an affiliate or be deprived of the right to vote at the creditors' meeting.

3. The grounds for changing the formed and approved composition of the creditors' committee are:

- 1) fulfillment of obligations to a creditor that is a member of the creditors' committee;
- 2) circumstances that prevent a creditor from being a member of the creditors' committee (final and binding judicial acts, the creditor's liquidation or death, etc.);
- 3) identification of affiliated persons;
- 4) failure of a member of the creditors' committee to attend its meetings more than twice without a valid reason specified in subparagraphs 1) and 2) of part four of paragraph 4 of Article 26 of this Law.

4. The administrator shall send a notification of a meeting of the creditors' committee by registered mail at least five working days before the date of the meeting.

When the powers of the creditors' committee are exercised by the creditors' meeting in the case specified in part two of paragraph 1 of this article, the notification of a meeting of the creditors' meeting shall be sent in the manner prescribed by this article.

5. The powers of the creditors' committee are provided for by Articles 76 and 94 of this Law.

Footnote. Article 27 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 28. Adoption of decisions by the creditors' committee

1. A meeting of the creditors' committee shall be competent if attended by at least two-thirds of the total number of the committee members.

2. The creditors' committee adopts decisions by a simple majority of votes of the total number of members of the creditors' committee based on the "one committee member - one vote" principle.

If the vote is a tie, the chairman of the creditors' committee shall have a casting vote under the voting procedure.

3. A meeting of the creditors' committee is documented in its minutes.

The minutes shall contain information on the date and place of the meeting, the members of the creditors' committee who took part in the voting, the agenda, the results of voting and the decisions made. The minutes are signed by all members of the creditors' committee who participated in the voting, by the administrator and certified by the debtor's seal (if any).

The administrator, within three working days of signing the minutes, sends it to the authorized body, members of the creditors' committee. One copy of the minutes is kept by the administrator.

4. Creditors, an individual entrepreneur - a debtor, an owner of property (a person authorized by him/her), founders (participants in) of a legal entity - a debtor have the right to participate in a meeting of the creditors' committee.

5. When the powers of the creditors' committee are exercised by the creditors' meeting in the case specified in part two of paragraph 1 of Article 27 of this Law, the creditors' meeting shall adopt decisions in the manner prescribed by this article.

6. The decision of the creditors' committee may be appealed by the procedures' participants within one month of its adoption.

Footnote. Article 28 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 2 -1. Insolvency resolution procedure

Footnote. The Law is supplemented by Chapter 2-1 in accordance with the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 28-1. Making a decision on insolvency resolution

1. The debtor has the right to decide on the restructuring of his/her/its debts in the event of temporary insolvency determined in accordance with paragraph 1 of Article 5-1 of this Law, provided that there are no court-initiated rehabilitation or bankruptcy proceedings, unless otherwise provided for by this article.

2. The debtor files a debt restructuring application with court together with documents confirming temporary insolvency.

Concurrently with petitioning the court, the debtor notifies his/her/its creditors.

At the same time, the debtor is not entitled to file such a petition to court, unless one year expired since:

the entry into force of a court ruling refusing to approve a debt restructuring agreement;

expiration of the term established by paragraph 1 of article 28-3 of this Law, provided that an insolvency resolution agreement is not concluded.

3. The court, within ten working days of acceptance of the debtor's debt restructuring application, makes one of the following decisions:

- 1) to apply an insolvency resolution procedure;
- 2) to refuse to apply an insolvency resolution procedure;

A ground for the court's refusal to apply a procedure for resolving the debtor's insolvency is the absence of signs of the debtor's insolvency provided for by subparagraphs 1), 2) and 3) of paragraph 1 of article 5 of this Law.

4. A court decision on the application of an insolvency resolution procedure shall be enforced immediately.

5. The debtor shall promptly notify the authorized body and creditors of the decision made by court.

6. The authorized body shall, within two working days from the date of receipt of the notice, place an announcement on the application of an insolvency resolution procedure in respect of the debtor in the Kazakh and Russian languages on the Internet resource of the authorized body.

Footnote. Article 28-1 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 28-2. Consequences of the application of an insolvency resolution procedure

From the date of a court judgment on the application of the debt restructuring procedure to the debtor, the following consequences occur:

- 1) termination of accrual of penalty (late fee, fines) for all types of the debtor's indebtedness;
- 2) banning a creditor (creditors) from petitioning the court for declaring the debtor bankrupt within the period of concluding an insolvency resolution agreement;
- 3) the debtor is prohibited from making any transactions for the alienation of property.

Footnote. Article 28-2 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 28-3. Insolvency resolution agreement

1. Within two months from the date of entry into legal force of a court decision on the application of an insolvency resolution procedure, a debtor is obliged to conclude an insolvency resolution agreement with all creditors.

2. The insolvency resolution agreement must contain provisions on the terms of the agreement, the procedure, methods and deadline for the fulfillment of the debtor's obligations to the creditor (creditors).

2-1. In the event that concluding an insolvency resolution agreement, one of the creditors shall be a state agency, an insolvency resolution agreement can be concluded on an installment plan for repayment of debt to such a state agency for a period no more than three years from the date of approval of the agreement.

Provided that the requirements of part one of this paragraph are met, tax debts are paid off upon the security of the property of the debtor and (or) a third party, and (or) a bank guarantee.

The property pledged shall be liquid, insured against loss or damage, and its market value may not be less than the amount of tax debts. It is not allowed to pledge:

- 1) vital infrastructure;
- 2) electrical, thermal and other types of energy;
- 3) distrained property;
- 4) property for which there are restrictions imposed by state agencies;
- 5) property encumbered with the rights of third parties;
- 6) short life raw materials, food.

he insolvency resolution agreement is concluded for a period not exceeding three years.

3. Third parties are allowed to be parties to the insolvency resolution agreement provided that they assume the rights and obligations thereof.

4. The insolvency resolution agreement may be concluded on such terms as:

- 1) deferment and (or) extension of the deadline of the debtor's obligations;
- 2) assignment of the debtor's rights of claim;
- 3) full or partial forgiveness of debt;
- 4) writing-off a penalty (late fee, fines);
- 5) reduction of the amount of remuneration for received loans;

6) satisfaction of claims of the creditor (creditors) in other ways that are not contrary to the legislation of the Republic of Kazakhstan.

5. A debt restructuring agreement is drawn up in writing in Kazakh and Russian and signed by an individual entrepreneur - a debtor, the owner of the property (a person authorized by him/her), the founder (participant in) of a legal entity - a debtor, and each creditor.

If a creditor disagrees with the terms of the agreement, such an agreement cannot be concluded.

If an agreement is not concluded, the debt restructuring procedure is considered completed and the consequences that have occurred in accordance with the below indicated are terminated:

1) subparagraph 1) of Article 28-2 of this Law - from the day of a court judgment on the application of the debt restructuring procedure;

2) subparagraphs 2) and 3) of Article 28-2 of this Law - from the date of expiry of the term for concluding a debt restructuring agreement, specified in paragraph 1 of this article.

Footnote. Article 28-3 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 28-4. Affirmance of an insolvency resolution agreement by court

1. A debtor shall, within the period specified in paragraph 1 of article 28-3 of this Law, petition the court for the affirmance of an insolvency resolution agreement.

2. An application for the approval of a debt restructuring agreement shall be submitted by the debtor together with:

1) a debt restructuring agreement signed by an individual entrepreneur - the debtor, the owner of the property (a person authorized by him/her), the founder (participant in) of a legal entity - the debtor, and each creditor;

2) a list of all creditors indicating their place of residence or location, as well as the amounts owed.

3. As a result of consideration of the debtor's petition for the affirmance of the insolvency resolution agreement, the court rules:

1) either to affirm the insolvency resolution agreement;

2) or to refuse to affirm the insolvency resolution agreement.

4. Grounds for the court's refusal to affirm the insolvency resolution agreement are as follows:

1) violation of the rights and legal interests of creditors and (or) third parties;

2) the insolvency resolution agreement is contrary to the legislation of the Republic of Kazakhstan.

5. The insolvency resolution agreement is binding on the debtor, creditor (creditors) and/or third parties to the agreement, from the date of entry into legal force of a court decision on the affirmance of such an agreement.

6. If the court refuses to approve the agreement, the procedure for restructuring the debtor's debt is considered completed and the consequences that have occurred in accordance with the below indicated are terminated:

1) subparagraph 1) of Article 28-2 of this Law - from the day of a court judgment on the application of the debt restructuring procedure;

2) subparagraphs 2) and 3) of Article 28-2 of this Law - from the date of entry into force of a court ruling on the refusal to approve the debt restructuring agreement.

7. The creditor (creditors) has (have) the right to file an application for terminating the debt restructuring agreement with court in cases of:

1) violation of the terms of such an agreement by the debtor;

2) a failure to conclude a debt restructuring agreement within the time frame specified in paragraph 1 of Article 28-3 of this Law.

8-1. When terminating the agreement, the debt restructuring procedure shall be considered completed, and the effect of the consequences that occurred as reflected in Article 28-5 of this Law shall be terminated from the date of enforcement of the court ruling to terminate the debt restructuring agreement or the court ruling to terminate the proceedings in connection with the plaintiff's withdrawal of the claim or approval of a settlement agreement of the parties, an agreement of the parties on the dispute (conflict) settlement in the manner of mediation, an agreement on the settlement of the dispute in the manner of a participatory procedure on the subject of the dispute, including conclusion of an agreement on debt restructuring on new terms.

9. A creditor (creditors) may not, during the validity period of an insolvency resolution agreement, petition the court for declaring the debtor bankrupt, if the debtor complies with all the terms of such an agreement.

Footnote. Article 28-4 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 28-5. Consequences of the affirmance of an insolvency resolution agreement by court

Consequences of a court ruling to affirm an insolvency resolution agreement, from the date of its entry into legal force, may be as follows:

- 1) termination of accrual of penalty (late fee, fines) for all types of the debtor's arrears;
- 2) lifting of all state bodies' restrictions on the debtor's accounts without relevant decisions of the bodies that imposed them;
- 3) termination of execution of previous court decisions, arbitral awards, except for payments to citizens, to whom the debtor is liable for causing damage to their life or health without account of claims of compensations for non-pecuniary damage, which became due after the conclusion of the insolvency resolution agreement;
- 4) imposition of new arrests on the debtor's property and other restrictions on the disposal of his/her/its property is permitted only with regard to claims, brought against the debtor, for recognizing the transaction to be invalid and reclamation of property from unlawful possession.

Footnote. Article 28-5 as amended by the Law of the Republic of Kazakhstan dated 08.04.2016 № 489-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Chapter 3. ACCELERATED REHABILITATION PROCEDURE

Footnote. Chapter 3 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 4. CONSIDERATION OF CASES ON REABILITATION OR BANKRUPTCY IN A JUDICIAL PROCEEDING Article 38. Procedure for initiating rehabilitation and bankruptcy proceedings

1. A court initiates a rehabilitation proceeding pursuant to an application of a debtor or a creditor (creditors), except for a creditor for taxes and customs payments, a state body or a legal entity partially owned by the state given the grounds specified in paragraph 1 of Article 5-1 of this Law.

The debtor also has the right, within seven working days of receipt of a copy of a court ruling to initiate a bankruptcy proceeding, to send file an application for the rehabilitation procedure with court.

2. A court initiates a bankruptcy proceeding pursuant to an application of a debtor, a creditor (creditors) given grounds specified in Article 5 of this Law, that of a prosecutor - in the cases specified in Article 47 of this Law, that of a rehabilitation manager - in the case specified in paragraph 2 of Article 83 of this Law.

3. Rehabilitation or bankruptcy proceedings shall be deemed initiated from the date of a court ruling on the acceptance of an application for the rehabilitation procedure or a bankruptcy petition.

4. The bankruptcy petition filed by the debtor, the rehabilitation manager cannot be withdrawn without a relevant court judgment. The creditor (creditors), the prosecutor can withdraw their applications before a judgment to declare the debtor bankrupt is made.

Footnote. Article 38 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 39. Persons participated in case on rehabilitation or bankruptcy

Persons participated in case on rehabilitation or bankruptcy may be:

- 1) the debtor;
- 2) the creditors;
- 3) representative of the creditors on payment for labour;
- 4) prosecutor;

5) the owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor;

- 6) authorized body;
- 7) the administrator.

8) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Footnote. Article 39 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 40. Application of the debtor

1. The debtor files an application for the rehabilitation procedure or a bankruptcy petition with court on the basis of a decision:

- 1) of the body of legal entity authorized by its constitutive documents;
- 2) of an individual entrepreneur - a debtor, the owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor.

2. The debtor is obliged to file a bankruptcy petition with court in the case specified in subparagraph 1) of paragraph 2 of Article 11 of this Law.

Footnote. Article 40 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 41. Form and content of application of the debtor

1. The debtor files his/her/its application with court in writing or in the form of an electronic document. It is signed by the head of the debtor - a legal entity or by a person acting for him/her in accordance with the constituent documents, or by the debtor - an individual entrepreneur.

2. Application of the debtor shall contain:

- 1) name of court to which the application is filed;
- 2) substantiation of impossibility to satisfy the requirements of the creditors;
- 3) details on its available property, as well as the property impaired by the pledge, being in property lease (rent) and (or) in financial lease, on money being on banking accounts, numbers of accounts and location of banks, list of obligors with specification of their location and sum of their debts;
- 4) details on obligations, the term of which is not matured;
- 5) information on the relation of the activity to a natural monopoly sphere;
 - 5-1) surname, name, patronymic (if it is indicated in the identity document) or name, individual identification number or business identification number of the person with whom an agreement has been concluded on exercising the powers of an interim manager or interim administrator;
- 6) list of accompanied documents.

Application of the debtor may include the other details, if they are necessary for consideration of bankruptcy case or rehabilitation, as well as petitions of the applicant.

At the same time with filing the application to the court, the debtor shall be obliged to direct copies of application and accompanied documents to the authorized body.

Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 42. Documents accompanied to application of the debtor

1. Application of the debtor on declaring it as bankrupt shall be accompanied by the documents confirming:

- 1) payment of state duty in established manner and amount;
- 2) persistent insolvency, which is a ground for a debtor to file a bankruptcy petition in accordance with paragraph 1 of Article 5 of this Law;
- 3) other circumstances on which application of the debtor is based.

2. Application of the debtor on declaring it as bankrupt shall be also accompanied by:

1) the decision of the individual entrepreneur - the debtor, the owner of the property (the body authorized by him/her), the founder (participant in) of the legal entity - the debtor, which is a ground for the debtor to file a bankruptcy petition with court;

2) financial statements as at the date of filing the application and as at the beginning of the year in which the application was filed, as well as in the case provided for by this Law, as at the beginning of the year preceding the year of filing the application, a list of all creditors and debtors (individual identification number or business identification number, surname, name, patronymic (if it is indicated in the identity document) and (or) full name, legal address) indicating the amount and date of formation of the relevant debt;

3) minutes of the meeting (conference) of creditors for wages (if there are such creditors), at which their representative was elected by secret ballot to participate in the bankruptcy case;

4) copies of constitutive documents;

5) the opinion of the authorized body in charge of natural monopoly spheres submitted by it within seven working days of receipt of a written notification of the debtor about his/her filing a bankruptcy petition with court, if the debtor is a natural monopoly entity;

6) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017);

7) information on claims against the debtor accepted by courts for hearing, motions for judgment, and also the requirements for undisputable (acceptance-free) write-off;

8) a copy of the agreement on the exercise of the powers of the interim manager, concluded between the debtor and the person entitled to carry out the activities of an administrator.

3. The rehabilitation manager's application for terminating the rehabilitation procedure, declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure shall be submitted together with the minutes of the creditors' meeting and also an opinion that the debtor belongs to the III class of financial stability and there are grounds for declaring him/her/it bankrupt.

4. Application of the debtor on applying rehabilitation procedure shall be accompanied by the document confirming:

- 1) payment of state duty in established manner and amount;
- 2) temporary insolvency, which is a ground for a debtor to apply for the rehabilitation procedure in accordance with paragraph 1 of Article 5-1 of this Law;

3) other circumstances on which application of the debtor is based.

5. Application of the debtor on applying rehabilitation procedure shall be also accompanied by:

1) the decision of the individual entrepreneur - the debtor, the owner of the property (a body authorized by him/her), the founder (participant in) of the legal entity - the debtor, which is a ground for the debtor to apply to court for the rehabilitation procedure;

2) financial statements as at the date of filing the application and as at the beginning of the year in which the application was filed, as well as in the case specified in this Law, as at the beginning of the year preceding the year of filing the application, a list of all creditors and debtors (individual identification number or business identification number, surname, name, patronymic (if it is indicated in the identity document) and (or) full name, legal address) indicating the amount and date of formation of the relevant debt;

3) details on claims against the debtor accepted for proceeding, as well as on requirements submitted to indisputable (acceptance-free) write-off.

4) copies of constitutive documents;

5) a copy of the agreement on the exercise of the powers of an interim administrator, concluded between the debtor and a person entitled to carry out the activities of an administrator.

6. In the case provided for by paragraph 4 of article 95-1 of this Law, the debtor shall also attach to the application for rehabilitation proceedings the following documents:

1) the rehabilitation plan, agreed in accordance with the procedure provided for by article 95-1 of this Law;

2) minutes of a meeting of creditors on the approval of the rehabilitation plan;

3) the opinion of the bankruptcy manager on the financial stability of the debtor, taking into account the implementation of the measures provided for by the rehabilitation plan.

Footnote. Article 42 as amended by the Laws of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication)

Article 43. Return of application of the debtor without consideration

Footnote. Article 43 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 44. Application of the creditor (creditors)

1. Bankruptcy or rehabilitation procedures may be initiated upon an application from a creditor (creditors), as well as an agent bank acting on behalf of and in the interests of

participants in a syndicate of creditors in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, under civil law and other obligations.

2. Application of the creditor (creditors) shall include)

1) name of court to which the application is filed;

2) surname, name, patronymic (if it is indicated in the identity document) or the name, location of the debtor;

3) surname, name, patronymic (if it is indicated in the identity document), location of the creditor (creditors) - an individual or the name, location of the creditor (creditors) - a legal entity;

4) obligation of the debtor before the creditor (creditors) from which his (her) requirement is occurred, the term of fulfilling this obligation;

5) essence and sum of requirements of this creditor (creditors) to the debtor;

6) sum of debts on obligation and remuneration (behalf), penalty (fine, late fee) accrued on this sum and losses subjected to recovery from the debtor;

7) the established legal grounds for the claims of the creditor (creditors) (a judicial act or a writ of execution on the recovery of money from the debtor, recognition of the debt by the debtor, if the applicant is a creditor for taxes and customs payments - information on the adoption of all measures of mandatory collection of tax arrears, as well as arrears in customs payments, special, anti-dumping, countervailing duties, interest in the manner prescribed by the tax and customs legislation of the Republic of Kazakhstan);

8) details known to the creditor (creditors) about available property of the debtor;

9) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

10) list of attached documents;

11) surname, name, patronymic (if it is indicated in the identity document) or name, individual identification number or business identification number of the person with whom an agreement was concluded on the exercise of the powers of an interim manager or interim administrator.

In the event that the applicant is a creditor for taxes and customs payments or a state body or a legal entity partially owned by the state, a candidate for an interim manager is selected in the manner determined by the authorized body;

12) other details if they are necessary for consideration of case on bankruptcy or rehabilitation.

3. At the same time with filing application to the court, the creditor (creditors) shall be obliged to direct copies of the application and accompanied documents to the debtor, authorized body.

4. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Footnote. Article 44 as amended by the Law of the Republic of Kazakhstan dated

29.12.2014 No. 269-V (shall be enforced from 01.01.2015); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 45. Documents attached to application of the creditor

1. Application of the creditor on declaring the debtor as bankrupt shall be accompanied by the documents confirming:

- 1) payment of state duty in established manner and amount;
- 2) direction of copies of the application of the creditor and accompanied documents to the debtor and authorized body;
- 3) obligations of the debtor before the creditor, as well as existence and sum of debts on these obligations;
- 4) substantiation of requirements of the creditor (enforcement documents, court decision or written recognition of requirements of the creditor by the debtor);

5) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

- 6) other circumstances (if any) underlying the creditor's application.

A copy of the agreement on the exercise of the powers of an interim manager, concluded between the creditor and the person entitled to carry out the activities of an administrator, is attached to the creditor's application.

In the event that the applicant is a creditor for taxes and customs payments or a state body or a legal entity partially owned by the state, an agreement on the exercise of the powers of an interim manager is not concluded.

2. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

3. Application of the creditor (creditors) on applying rehabilitation procedure shall be accompanied by the documents confirming:

- 1) payment of state duty in established manner and amount;
- 2) direction of the copy of application and accompanied documents to the debtor;
- 3) obligations of the debtor before the creditor, as well as existence and sum of debts on these obligations;
- 4) is excluded by the Law of the Republic of Kazakhstan dated 22.04.2015 No. 308-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication);

- 5) other circumstances (when available) on which application of the creditor is based.

4. To the statement of the agent bank acting on behalf of and in the interests of the creditors' syndicate participants, the decision of such participants shall be attached on filing a petition with the court on recognizing the debtor bankrupt or on applying a rehabilitation

procedure, adopted as prescribed by the legislation of the Republic of Kazakhstan on project financing and securitization.

Footnote. Article 45 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2014 No. 269-V (shall be enforced from 01.01.2015); dated 22.04.2015 No. 308-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 45-1. Dismissal of an application of a debtor or creditor (creditors)

1. If the debtor files an application for the rehabilitation procedure or a bankruptcy petition with court that do not meet the requirements specified in Articles 41 and 42 of this Law, this is a ground for a court to dismiss the application and the petition.

2. In cases where it is mandatory for the debtor to file a bankruptcy petition with court in accordance with this Law and the required documents are not attached to the petition, the court initiates a proceeding on the petition, and requests the missing documents in order to prepare the case for a court hearing.

3. The court shall dismiss an application of the creditor (creditors) that fails to meet the requirements specified in Articles 44 and 45 of this Law.

Footnote. Chapter 4 is supplemented with Article 45-1 in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 46. Connection of requirements of one or several creditors

1. Creditor shall have the right to connect several requirements to the debtor I one application on different obligations.

2. Creditors shall have the right to combine own requirements to the debtor and refer to the court with one application. Such application shall be signed by the creditors that combined the requirements.

Article 47. Application of the prosecutor

1. Prosecutor shall refer to the court with application on declaring the debtor as bankrupt:
 - 1) when he (she) detected signs of premeditated bankruptcy;
 - 2) in behalf of the creditor – Republic of Kazakhstan, state bodies.

2. Application of the prosecutor shall be filed to the court in compliance with requirements provided by this Law in respect of application of the creditor, unless otherwise provided by the legislative acts of the Republic of Kazakhstan or followed from the essence of legal relations.

Article 48. Initiation of the proceeding with regard to case onrehabilitation or bankruptcy

1. Having received an application for the rehabilitation procedure or a bankruptcy petition meeting the requirements established by this Law, the court shall issue a ruling to initiate a case within five working days of receipt of the application, and in the case specified in paragraph 1 of Article 53 of this Law - within three working days of a judgment to suspend a bankruptcy proceeding.

Ruling on initiation of case shall contain obligation of state and other agencies, as well as the State Corporation "Government for Citizens" carrying out registration of rights to property, on imposition of restrictions provided by Paragraph 1 of Article 50 of this Law.

1-1. The court shall dismiss an application for the rehabilitation procedure if it is submitted before the expiration of two years from the date of entry into force of a court judgment on the refusal to apply the rehabilitation procedure or a court ruling on the termination of the rehabilitation procedure.

2. Copies of court ruling on initiation of case shall be directed by the court to the debtor, applicant, authorized agency, to the state and other agencies, as well as the State Corporation "Government for Citizens" carrying out registration of rights to property, regional chamber of private court bailiffs and to the territorial authority of justice at location of the debtor.

3. The authorized body, within two working days of a court ruling on the initiation of bankruptcy proceedings, appoints an interim manager if the applicant is a creditor for taxes and customs payments or a state body or legal entity partially owned by the state.

4. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

5. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Footnote. Article 48 as amended 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 the date of its first official publication); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 07.04.2016 № 487-V (shall be enforced upon expiry of six months after the day its first official publication); dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 49. Opinion of an interim administrator and interim manager on the debtor's financial stability

1. Based on the results of collected information on the financial condition of the debtor, the interim manager, during a bankruptcy proceeding in court, draws up an opinion on the financial stability of the debtor, containing one of the following conclusions:

1) the debtor belongs to the I class of financial stability, the bankruptcy petition is unfounded;

2) the debtor belongs to the II class of financial stability, there are no grounds for declaring the debtor bankrupt, but there are grounds for applying the rehabilitation procedure;

3) the debtor belongs to the III class of financial stability, there are grounds for declaring him/her/it bankrupt.

2. The opinion on the financial stability of the debtor, specified in paragraph 1 of this article, shall not be drawn up in cases where:

1) the debtor has no other creditors besides the applicant.

The provisions of this subparagraph do not apply when the applicant is a creditor for taxes and customs payments or a creditor to whom the writ of execution was returned in accordance with subparagraph 2) of paragraph 1 of Article 48 of the Law of the Republic of Kazakhstan “On Enforcement Proceedings and the Status of Enforcement Agents”;

2) the debtor did not provide the interim manager with access to the accounting documentation.

3. The interim manager, within ten working days of a court ruling to initiate a bankruptcy proceeding, and if the applicant is a creditor for taxes and customs payments or a state body or legal entity partially owned by the state, from the date of his/her appointment, draws up an act:

1) on the inexpediency of drawing up an opinion on the financial stability of the debtor - in the case specified in subparagraph 1) of paragraph 2 of this article;

2) on the impossibility of drawing up an opinion on the financial stability of the debtor - in the case specified in subparagraph 2) of paragraph 2 of this article.

4. Based on the results of collected information on the financial condition of the debtor, during a rehabilitation proceeding in court, the interim administrator draws up an opinion on the financial stability of the debtor, containing one of the following conclusions:

1) the debtor belongs to the I class of financial stability, the application for the rehabilitation procedure is groundless;

2) the debtor belongs to the II class of financial stability, there are grounds for the application of the rehabilitation procedure;

3) the debtor belongs to the III class of financial stability, there are grounds for declaring him/her/it bankrupt.

5. The opinion on the financial stability of the debtor is drawn up by the interim administrator and the interim manager with account of the provisions of Article 49-1 of this Law.

Footnote. Article 49 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 49-1. Determination of financial stability classes

1. The class of financial stability of the debtor is determined by calculating coefficients characterizing the effectiveness of his/her/its financial and economic activities.

2. In accordance with the boundaries of a financial stability class, the debtor belongs to one of the following classes: I class - financially stable; II class - associated with the risk of bankruptcy, but capable to restore financial stability; III class - financially unstable.

3. The procedure for calculating the coefficients and determining the boundaries of financial stability classes is established by the authorized body.

Footnote. Chapter 4 is supplemented with Article 49-1 in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 50. Consequences of initiation of the proceeding with regard to case on rehabilitation or bankruptcy

1. From the date of issuance of a ruling on the initiation of rehabilitation or bankruptcy proceedings:

1) an individual entrepreneur - a debtor, owner of property, founder (participant), all bodies of a legal entity are prohibited from using and selling property outside ordinary commercial transactions;

2) the execution of earlier court judgments, arbitral awards, decisions of state revenue bodies, as well as owners (founders, participants), bodies authorized by them or bodies of the debtor in respect of his/her/its property is suspended, except for payments to citizens to whom the debtor is liable for damaging life or health without regard to claims for compensation for moral damage;

2-1) the accrual of forfeits (penalties, fines) for all types of debts of the debtor is suspended;

3) any requirements of the creditors to the debtor may be submitted only within the rehabilitation procedure or bankruptcy proceeding, with the exception of requirements on execution of the guarantees and sureties by third parties, as well as levy of execution upon a pledge subject in cases when the pledgeholder is the third parties;

4) recovery of money from banking accounts of the debtor upon demands of the creditors, body of state revenues and other authorized state body carrying estimation and (or) collection of other compulsory payments to the budget including those subjected to satisfying in indisputable (acceptance-free) manner, as well as levy of execution upon property of the debtor shall not be allowed;

5) disposal of shares, interests in charter capital of the debtor shall not prohibited.

2. The court, within five working days, is obliged to publish an announcement of the initiation of rehabilitation proceedings in the Kazakh and Russian languages in print

periodicals distributed throughout the Republic of Kazakhstan and the relevant administrative-territorial unit at the location of the debtor entitled, in the prescribed manner, to officially publish legislative acts, and also on the court's website.

Footnote. Article 50 as amended by the Law of the Republic of Kazakhstan dated 07.11.2014 No. 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 08.04.2016 № 489-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated; 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 51. Ensuring of requirements of the creditors

Court shall have the right to take the following measures for ensuring requirements of the creditors upon application of the creditor, prosecutor or another person participated in a case:

- 1) arrest the property (part of property) belonging to the debtor, as well as money;
- 2) prohibit commission of actions to the debtor that may entail decrease of its property or otherwise affect interests of the creditors;
- 3) suspend recovery under enforcement or other documents according to which the recovery shall be made in indisputable (acceptance-free) manner;
- 4) other actions aimed at preserving the debtor's property during a bankruptcy proceeding

Footnote. Article 51 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 52. Preparation of case on rehabilitation or bankruptcy to judicial proceeding

1. When preparing a rehabilitation or bankruptcy case for a court hearing, in addition to the actions provided for by the legislation on civil proceedings of the Republic of Kazakhstan, the court shall notify the authorized body, the debtor, creditors, the prosecutor and other persons participating in the case, about the time and place of a court session hearing the case.

2. Copies of a ruling to prepare the rehabilitation or bankruptcy case for a court hearing shall be sent to the authorized body, the debtor, creditors, the prosecutor and other persons participating in the case.

Footnote. Article 52 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 53. Suspension and reopening of proceeding with regard to bankruptcy case

1. After receipt of application of the debtor on applying rehabilitation procedure within proceeding with regard to bankruptcy case, the court shall issue regulation on suspension of

proceeding with regard to bankruptcy case no later than five business days after receipt of application with the consent of the creditor that initiated a bankruptcy case.

2. Copies of court regulation on suspension of proceeding with regard to bankruptcy case shall be directed by the court to the debtor, applicant, authorized body to the regional chamber of private officers of justice and territorial body of justice at location of the debtor.

3. The proceedings on the bankruptcy case, which was previously suspended, shall be resumed by the court in the event of a waiver of rehabilitation procedure or its termination on the grounds provided for in paragraphs 2 and 5 of Article 82 of this Law.

Footnote. Article 53 as amended 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 the date of its first official publication); dated 27.12.2019 No. 290-VI (effective ten calendar days after the date of its first official publication).

Article 54. Court proceeding

1. After preliminary preparation, the rehabilitation or bankruptcy case shall be scheduled for a court hearing, about which the court issues a ruling.

A rehabilitation or bankruptcy case shall be considered at a court session within two months of its initiation.

2. If the creditor who filed a bankruptcy petition fails to appear at a court session, the court shall issue a ruling to dismiss the petition.

If the debtor fails to appear at a court session, the court shall issue a ruling on compulsory process.

Footnote. Article 54 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 55. Judicial acts with regard to case on rehabilitation or bankruptcy

1. After consideration of case on rehabilitation or bankruptcy in judicial proceeding, the court may adopt one of the following judicial acts:

1) decision on declaring the debtor as bankrupt and its liquidation with initiation of bankruptcy proceeding;

2) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

3) decision on refusal in declaring the debtor as bankrupt;

4) decision on applying rehabilitation procedure;

5) decision on refusal in applying rehabilitation procedure;

5-1) a ruling to revoke the decision to declare the debtor bankrupt and liquidate it with initiation of bankruptcy proceedings;

5-2) a decision to terminate bankruptcy proceedings, apply rehabilitation proceedings and approve the rehabilitation plan;

5-3) a decision to refuse to terminate bankruptcy proceedings, apply rehabilitation proceedings and approve the rehabilitation plan;

6) regulation on termination of proceeding with regard to the case;

6-1) a ruling to affirm the settlement agreement and terminate bankruptcy proceedings.

2. Decisions and regulation of court provided by paragraph 1 of this Article shall conform to requirements of the legislation on civil proceeding of the Republic of Kazakhstan considering special aspects provided by this Law.

Footnote. Article 55 as amended by the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 56. Judgment on declaring the debtor bankrupt and its liquidation with initiation of the bankruptcy procedure

1. A judgment to declare the debtor bankrupt and liquidate it with the initiation of bankruptcy procedure shall be made by court with account of the opinion of the interim manager on the financial stability of the debtor specified in subparagraph 3) of paragraph 1 of Article 49 of this Law, or the act specified in subparagraph 2) of paragraph 3 of Article 49 of this Law.

2. The court judgment on declaring the debtor bankrupt shall indicate:

1) the liquidation of the debtor with the initiation of the bankruptcy procedure;

2) the transfer of the right to manage the debtor to the interim manager;

3) the amount of stated claims of creditors who applied to court before the judgment was made;

4) the transfer of constituent documents, seals (if any), stamps by the bankrupt's officials to the interim manager within three working days of the court judgment on declaring the debtor bankrupt, within ten working days - accounting documents, documents of title to the property of the bankrupt, within twenty working days - material and other valuables belonging to the bankrupt;

5) the removal of all restrictions and encumbrances on the bankrupt's property (collection orders issued to the bankrupt's accounts, arrests on property and others) without appropriate decisions made by the bodies that imposed them, on the basis of the administrator's application.

3. The interim manager sends an announcement of declaring the debtor bankrupt and its liquidation with the initiation of the bankruptcy procedure in the Kazakh and Russian languages to the authorized body, within two working days of the declaration of the debtor bankrupt, for posting it on its website.

The authorized body, within two working days of receipt of the announcement, is obliged to post it on its website in the Kazakh and Russian languages.

The publication on declaring the debtor bankrupt shall contain:

1) the name of the court that issued the judgment on declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure;

2) surname, name, patronymic (if it is indicated in the identity document) or name, individual identification number or business identification number and the location of the bankrupt;

3) information on the state registration of the bankrupt.

Footnote. Article 56 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 57. Decision on declaring the debtor as bankrupt and its liquidation without initiation of bankruptcy proceeding upon application of the creditor or prosecutor

Footnote. Article 57 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 58. Court judgment on refusal to declare the debtor bankrupt

Footnote. The heading of Article 58 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

1. The court makes a judgment on refusal to declare the debtor bankrupt with account of the opinion of the interim manager on the financial stability of the debtor specified in subparagraphs 1) and 2) of paragraph 1 of Article 49 of this Law, or the act specified in subparagraph 1) of paragraph 3 of Article 49 of this Law.

2. If the court makes a judgment to refuse to declare the debtor bankrupt with account of the opinion of the interim manager on the financial stability of the debtor specified in subparagraphs 1) and 2) of paragraph 1 of Article 49 of this Law, the debtor has the right to demand compensation from the applicant in the manner prescribed by the legislation of the Republic Kazakhstan.

3. Court decision on refusal in declaring the debtor as bankrupt shall not deprive the creditors of the right to represent own requirements to the debtor in the manner provided by the legislation on civil proceeding of the Republic of Kazakhstan.

Footnote. Article 58 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 59. Judgment on a rehabilitation case

1. The judgment on the application of the rehabilitation procedure is made by the court with account of the opinion of the interim administrator on the financial stability of the debtor specified in subparagraph 2) of paragraph 4 of Article 49 of this Law.

In the event that the interim administrator draws up an opinion on the financial stability of the debtor specified in subparagraph 3) of paragraph 4 of Article 49 of this Law, the court makes a judgment on the application of the rehabilitation procedure with the consent of the creditors' meeting.

2. A court judgment on the application of the rehabilitation procedure to a debtor shall indicate:

- 1) the application of the rehabilitation procedure;
- 2) the termination of the powers of the interim administrator;
- 3) the management of the debtor until the approval of the rehabilitation plan by the person specified in subparagraph 1) of paragraph 1 of Article 69 of this Law;
- 4) the debtor's presentation of the debtor's rehabilitation plan approved by the creditors' meeting within three months of entry into force of the judgment on the application of the rehabilitation procedure;
- 5) the onset of the consequences of the application of the rehabilitation procedure provided for by this Law.

3. The court refuses to apply the rehabilitation procedure in cases of:

- 1) drawing up an opinion on the financial stability of the debtor specified in subparagraph 1) of paragraph 4 of Article 49 of this Law by the interim administrator;
- 2) a failure of the creditors' meeting to approve the application of the rehabilitation procedure when the interim administrator draws up an opinion on the financial stability of the debtor specified in subparagraph 3) of paragraph 4 of Article 49 of this Law.

The court judgment on the refusal to apply the rehabilitation procedure shall indicate the creditor's right to demand compensation for losses incurred as a result of filing an application for the rehabilitation procedure from the debtor.

Footnote. Article 59 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 59-1. Decision to terminate bankruptcy proceedings, apply rehabilitation proceedings and approve a rehabilitation plan

1. The court judgment to terminate the bankruptcy procedure, apply the rehabilitation procedure and approve the rehabilitation plan shall be made by court on the conditions and in the manner prescribed by Article 95-1 of this Law, taking into account the opinion of the bankruptcy manager on the financial stability of the debtor, according to which the debtor, following the results of the implementation of measures provided for by the rehabilitation plan, shall be classified as belonging to class I of financial stability.

2. The court decision on the termination of bankruptcy proceedings, application of rehabilitation proceedings and approval of the rehabilitation plan shall contain an order to:

1) terminate bankruptcy proceedings and execute the court decision to declare the debtor bankrupt and liquidate it with initiation of bankruptcy proceedings;

2) terminate powers of a bankruptcy manager;

3) apply rehabilitation proceedings and approve the rehabilitation plan;

4) enforce the consequences of applying rehabilitation proceedings provided for by this Law;

5) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

6) the bankrupt's transfer to a managing body or a person entrusted by the creditors' meeting with the authority to manage the debtor in the manner prescribed by Article 69 of this Law, constituent documents, accounting documents, documents of title to property, seals (if any), stamps, material and other valuables.

3. The court refuses to terminate bankruptcy proceedings, apply rehabilitation proceedings and approve the rehabilitation plan in the case of:

absence of the consent of a meeting of creditors to approve the rehabilitation plan;

the debtor's failure to prove the possibility of restoring solvency in the course of court proceedings.

Footnote. Chapter 4 is supplemented by Article 59-1 in accordance with the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

Article 60. Court decision upon false bankruptcy

Footnote. Article 60 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 61. Distribution of administrative expenses

1. When making a judgment on declaring the debtor bankrupt, applying the rehabilitation procedure, administrative expenses are charged to the debtor's property and reimbursed at the expense of this property out of turn.

2. The administrative expenses specified in paragraph 1 of this article shall be paid by the applicant who has applied to the court in cases where the court makes:

1) a ruling on the termination of the rehabilitation or bankruptcy proceedings;

2) a judgment to refuse to apply the rehabilitation procedure or declare the debtor bankrupt.

In the cases specified in part one of this paragraph, when two or more creditors go to court, administrative expenses are distributed among such creditors in proportion to their claims.

Footnote. Article 61 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 62. The entry into legal force of a court decision (ruling), the review of a decision (ruling)

1. The entry into legal force of judicial acts specified in article 55 of this Law, their review in light of newly discovered facts, as well as their appeal (challenge), shall be carried out in accordance with the procedure provided for by the civil procedure legislation of the Republic of Kazakhstan.

Footnote. Article 62 in the new wording of the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Chapter 5. REHABILITATION PROCEDURE Article 63. Application of the rehabilitation procedure

The rehabilitation procedure is applied to debtors by court.

Footnote. Article 63 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 64. Duration of the rehabilitation procedure

The term for carrying out the rehabilitation procedure is established by court when making a ruling on the approval of the rehabilitation plan and is calculated from the date of entry into force of such a ruling. The court has the right, at the request of the rehabilitation manager, with the consent of the creditors' meeting, to extend this period once, but for no more than six months, unless otherwise provided for by this article.

With regard to organizations and individual entrepreneurs who are natural monopoly entities or are of great strategic importance for the economy of the Republic of Kazakhstan, capable of influencing the life, health of citizens, national security or the environment, as well as organizations that are town-forming legal entities, the court has the right, at the request of the rehabilitation manager with the consent of the creditors' meeting, extend the period for carrying out the rehabilitation procedure once, but for no more than two years.

A motion to extend the term of the rehabilitation procedure shall be submitted by the rehabilitation manager twenty working days before the expiration of the term for the rehabilitation procedure.

A failure to observe the term specified in part three of this article is a ground for the court to refuse to extend the term for the rehabilitation procedure.

Footnote. Article 64 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 65. Suspension and reopening of rehabilitation procedure for participant of measures of state support

Footnote. Article 65 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 66. Participants of rehabilitation procedure

Participants of rehabilitation procedure are:

- 1) court;
- 2) creditors;
- 3) debtor;
- 4) the owner of the property of the legal entity - the debtor (a body authorized by it), its founders (participants);

5) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

- 6) rehabilitation manager;
- 7) authorized body;
- 8) other interested persons.

Footnote. Article 66 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 67. Powers of court in rehabilitation procedure

Court in rehabilitation procedure shall:

- 1) apply and terminate the rehabilitation procedure;
- 2) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);
- 3) approve rehabilitation plan;
- 4) approve amendments and supplements to rehabilitation plan;
- 5) accept cases to own proceeding on the disputes of property nature on which the debtor act as defendant;
- 6) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);
- 7) resolve disputes between participants of rehabilitation procedure.

Footnote. Article 67 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 68. Consequences of the application of the rehabilitation procedure

1. From the date of entry into force of the court judgment on the application of the rehabilitation procedure, the following consequences occur:

1) it is prohibited to make transactions with property outside ordinary commercial transactions;

2) the accrual of interest on received loans and issued bonds is terminated;

3) the execution of court judgments, arbitral awards, decisions of state revenue bodies, as well as an individual entrepreneur - a debtor, an owner of property (a body authorized by him/her/it), founders (participants in) of a legal entity - a debtor in respect of his/her/its property is suspended, except for payments to citizens to whom the debtor is liable for damaging life or health without taking into account claims for compensation for moral damage, which became due after the application of the rehabilitation procedure.

2. After the approval of the rehabilitation plan:

1) the debtor is managed by a person appointed by the creditors' meeting in the manner prescribed by Article 69 of this Law;

2) transactions with property outside ordinary commercial transactions, except for those provided for by the rehabilitation plan, are made with the consent of the creditors' meeting;

3) on the basis of the debtor's application and a copy of the final and binding court ruling on the approval of the rehabilitation plan, restrictions and encumbrances on the debtor's property (collection orders to the debtor's accounts, arrests on property, etc.) are removed without relevant decisions made by the bodies that imposed them.

Footnote. Article 68 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 69. Management of the debtor under the rehabilitation procedure

1. Management of the debtor under the rehabilitation procedure by the decision of the creditors' meeting shall be entitled to:

1) an individual entrepreneur - a debtor or a body or person authorized by the owner of property, founder (participant in) of a legal entity - a debtor;

2) a rehabilitation manager.

For the purposes of this Law, the management of the debtor under the rehabilitation procedure of an individual entrepreneur means the management of his/her affairs and property

2. If at the first creditors' meeting a decision is made to entrust the authority to manage the debtor to the person specified in subparagraph 2) of paragraph 1 of this article, then the first creditors' meeting shall choose a candidate for the rehabilitation manager from among the persons whose notifications are included in the register of notifications of persons entitled to carry out the activities of an administrator.

When choosing a candidate for the rehabilitation manager, the creditors' meeting shall get recommendations regarding persons included in the register of notifications of persons entitled to carry out the activities of an administrator from professional associations of such persons.

The first creditors' meeting, within three working days of selection of the rehabilitation manager, is obliged to notify such a rehabilitation manager prior to submitting his/her candidacy to the authorized body.

The interim administrator, within three working days of the decision specified in part one of this paragraph, is obliged to submit the minutes of the creditors' meeting to the authorized body.

The authorized body, within two working days of receipt of the minutes of the creditors' meeting, is obliged to appoint the candidate selected by the creditors' meeting as a rehabilitation manager.

If the authorized body discovers circumstances that prevent the appointment of the candidate as a rehabilitation manager on the basis of part one of paragraph 5 of Article 12 of this Law, the authorized body, within five working days of such discovery, is obliged to send to the creditors' meeting a reasoned refusal to appoint a candidate as a rehabilitation manager or a message on removing the notification of a rehabilitation manager from the register of notifications of persons entitled to carry out the activities of an administrator, on the basis of subparagraph 3) of paragraph 8 of Article 12 of this Law.

If the authorized body refuses to appoint the proposed candidate, the creditors' meeting is obliged to present another candidate for appointment as a rehabilitation manager.

3. The creditors' meeting in the course of the rehabilitation procedure has the right to once change the decision on the assignment of powers to manage the debtor by:

1) the dismissal of an individual entrepreneur - a debtor or a body or person authorized by the owner of the property, founder (participant in) of the legal entity - the debtor, from exercising the powers to manage the debtor with the imposition of such powers on the rehabilitation manager;

2) the removal of the rehabilitation manager from exercising the powers to manage the debtor with the imposition of such powers on the individual entrepreneur - the debtor or the body or person authorized by the owner of the property, founder (participant in) of the legal entity - the debtor.

When the creditors' meeting adopts a decision specified in subparagraph 1) of part one of this paragraph, the creditors' meeting, in the manner prescribed by paragraph 2 of this article, selects the candidate for the rehabilitation manager.

The creditors' committee, within three working days of the decision specified in part one of this paragraph, is obliged to submit the minutes of the creditors' meeting to the authorized body.

4. When the agenda of the creditors' meeting includes the issue of dismissing the rehabilitation manager from exercising the powers to manage the debtor with the imposition of such powers on the individual entrepreneur - the debtor or the body or person authorized by the owner of the property, founder (participant in) of the legal entity - the debtor, the creditors' committee, ten working days before the creditors' meeting, notifies the individual entrepreneur - the debtor, the owner of the property (the body authorized by him/her/it), the founder (participant in) of the legal entity - the debtor about the consideration of such an issue

If the creditors' meeting makes a decision specified in subparagraph 2) of part one of paragraph 3 of this article, the owner of the property (the body authorized by him/her/it) or the founder (participant in) of the legal entity - the debtor is obliged to submit documents on the body or person entrusted with the authority to manage the debtor within two working days of the creditors' meeting.

Footnote. Article 69 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 70. Powers of a temporary administrator

1. The interim administrator has the right to request documents confirming the ground for and amount of the stated claims from creditors.

2. Temporary administrator shall be obliged to:

1) collect information on the financial condition of the debtor on the basis of accounting documents and financial statements in order to draw up an opinion on financial stability;

2) submit an opinion on the financial stability of the debtor in accordance with the standard form to court;

3) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

4) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

5) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

6) notify all creditors of the place and date of the first creditors' meeting;

7) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

7-1) organize and hold the first creditors' meeting;

8) exercise other powers in accordance with this Law and the legislation of the Republic of Kazakhstan.

Footnote. Article 70 as amended by the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first

official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 71. Powers of the rehabilitation manager

1. The rehabilitation manager has the right to:

1) request and receive information on the debtor from organizations, state bodies and their officials;

2) make transactions outside ordinary commercial transactions with the consent of the creditors' meeting;

3) with the consent of the creditors' meeting, make decisions that entail an increase in the debtor's expenses, including for the remuneration of the debtor's employees;

4) request from creditors documents confirming the ground for and amount of the stated claims;

5) participate in relations regulated by the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy, using the information system;

6) appeal against actions of the creditors' meeting and the creditors' committee, the authorized body in the manner prescribed by the legislation of the Republic of Kazakhstan.

2. From the date of appointment of the rehabilitation manager and until the entry into force of a court ruling on the approval of the rehabilitation plan, the rehabilitation manager is obliged to:

1) keep a register of creditors' claims;

2) perform the actions established by paragraph 1 of Article 25 of this Law;

3) file an application for terminating the rehabilitation procedure with court within three working days of occurrence of one of the grounds specified in paragraph 2 of Article 82 of this Law;

4) fulfill other obligations provided for by this Law and the legislation of the Republic of Kazakhstan.

3. After a court ruling on the approval of the rehabilitation plan becomes final and binding, the rehabilitation manager is obliged to:

1) take the debtor's property into management and ensure its protection and control over it ;

2) ensure the implementation of the rehabilitation plan;

3) keep a register of creditors' claims;

4) submit a motion to the court for amendments and additions to the rehabilitation plan within five working days of their approval by the creditors' meeting;

5) send a notification to the members of the creditors' committee in the manner and within the time frame established by paragraph 4 of Article 27 of this Law;

6) perform the actions established by paragraph 1 of Article 25 of this Law;

7) identify transactions made by the debtor or a person authorized by him/her/it under the circumstances specified in Article 7 of this Law, and to submit claims for their invalidation or the return of property in court, including at the request of the creditor who identified such a transaction;

8) on or before the 15th day of each month, bring information on the financial condition, transactions made in a previous month to the attention of the members of the creditors' committee, provide any information at the request of the creditors' committee;

9) provide the authorized body with current and requested information on the progress of the rehabilitation procedure in the form, in the manner and within the time frame established by the authorized body;

10) provide full information on the progress of its activities, the financial condition of the debtor to any creditor of the debtor pursuant to his/her written request within ten working days of its receipt;

11) identify the facts of illegal actions during rehabilitation in cases where the debtor was previously managed under the rehabilitation procedure by an individual entrepreneur - a debtor, or by a body or person authorized by the owner of property, a founder (participant in) of a legal entity - a debtor, or a dismissed rehabilitation manager;

12) in the event of the dismissal (termination) of the rehabilitation manager, transfer to the newly appointed rehabilitation manager, within three working days of appointment of the latter, constituent documents, accounting documents, documents of title to the debtor's property, seals (if any), stamps, material and other valuables belonging to the debtor;

13) file an application for terminating the rehabilitation procedure with court in the cases and in the manner prescribed by paragraph 1 of Article 82, paragraph 2 of Article 83 of this Law;

14) if the court decides to terminate the rehabilitation procedure, declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure, transfer the constituent documents, seals (if any), stamps to the bankruptcy manager within three working days of his/her appointment, accounting documentation - within three working days, material and other valuables belonging to the bankrupt - within twenty working days;

15) fulfill other obligations provided for by this Law and the legislation of the Republic of Kazakhstan.

4. If the total amount of the debtor's financial obligations arising after the application of the rehabilitation procedure exceeds five percent of the total amount of accounts payable as at the date of the court's judgment to apply the rehabilitation procedure, each subsequent transaction entailing the emergence of new financial obligations of the debtor is made by the rehabilitation manager with the consent of the creditors' meeting.

Footnote. Article 71 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 72. Formation of the register of creditors' claims in the course of the rehabilitation procedure

1. The interim administrator sends an announcement of the initiation of a rehabilitation proceeding and procedure for filing claims by creditors to the authorized body for posting it on its website in the Kazakh and Russian languages within two working days of initiation of the rehabilitation proceeding.

Creditors' claims are accepted by the interim administrator at the location of the debtor or at the place of registration of the administrator indicated by him/her in the notification about the commencement of his/her activity as an administrator.

The authorized body within two working days of receipt of the announcement is obliged to post it on its website.

If the debtor has a website, it is mandatory to publish the message there.

2. Creditors' claims against the debtor shall be declared by them within one month of publication of the announcement of the procedure for filing claims by creditors.

Creditors' claims shall contain:

1) information on the amount of the claim (separately on the amount of the principal debt, remuneration (interest), forfeit and other penalties, losses). The amount of the claim is determined as at the date of statement of the specified claim

2) an indication of one of the methods of notification of the creditors' meeting specified in paragraph 1 of Article 25 of this Law.

The claim is submitted together with copies of documents confirming a ground for and amount of the claim (final and binding court judgments, copies of contracts, recognition of the debt by the debtor), with the presentation of original documents for verification.

Creditors are also entitled to submit other documents confirming the ground for and amount of the claim.

The agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall state the claims separately on each creditors' syndicate participant on the basis of the syndicated loan agreement.

If the amount of the claim for remuneration (interest) and losses specified in subparagraph 1) of part two of this paragraph is changed as at the date of a court judgment on the application of the rehabilitation procedure, the creditor, within ten working days of this court judgment, re-declares his/her claims with account of this change.

Creditors' claims denominated in foreign currency are accounted for in tenge at the official exchange rate established by the National Bank of the Republic of Kazakhstan as at the date of the court judgment on the application of the rehabilitation procedure.

If a rehabilitation case was initiated against an individual entrepreneur, creditors' claims that do not arise from his entrepreneurial activity may also be filed if the deadline for fulfillment of such obligations is due.

3. The creditor's claim, declared after the time frame specified in paragraph 2 of this article, is included in the register of creditors' claims, but such a creditor is deprived of the right to vote at the creditors' meeting until the creditors' claims declared within a month are fully satisfied.

4. Creditors' claims shall be considered by the interim administrator or rehabilitation manager within ten working days of their submission.

Based on the results of consideration, the recognized claims are subject to inclusion in the register of creditors' claims.

The register may include the claims of creditors, which they previously declared in court, if they meet the requirements specified in part two of paragraph 2 of this article, given an application from the creditor.

The register of creditors' claims does not include the claims specified in paragraph 7 of Article 90 of this Law.

5. The expenses of creditors related to their participation in the rehabilitation procedure shall not be reimbursed.

6. The interim administrator is obliged to notify each creditor in writing of the results of consideration of creditors' claims (of the recognition or non-recognition of the claim in full or in part, indicating reasons for non-recognition) on the day following the day of the decision.

In the notification about recognition of the creditor's claim (in full or in part), the interim administrator shall indicate the date, time, place and agenda of the first creditors' meeting.

In case of disagreement with the decision of the interim administrator, the creditor has the right to appeal it to the court considering the rehabilitation case within ten working days of receipt of the notification from the interim administrator.

7. Within no later than two months from the date of the court ruling issuance on initiating a rehabilitation case, the temporary administrator is obliged to form, in the manner, terms and form established by the authorized body, and send to the authorized body in the Kazakh and Russian languages the register of creditors' claims, and also the list of creditors whose claims were not recognized, for posting on the authorized body's Internet resource.

The authorized body, within two working days of receipt of the register of creditors' claims from the interim administrator, is obliged to post it on its website.

Changes and additions to the formed register of creditors' claims are made in the manner determined by the authorized body.

8. The creditor has the right to appeal the size of and grounds for claims of other creditors within twenty working days of publication of the register of creditors' claims.

Footnote. Article 72 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended

by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 73. Rehabilitation plan and procedure for its approval

1. The rehabilitation plan shall contain specific measures to restore the debtor's solvency (rehabilitation measures) and the schedule for meeting the creditors' claims specified in paragraph 2 of Article 77 of this Law.

The standard form of the rehabilitation plan is approved by the authorized body.

The plan for the rehabilitation of organizations and individual entrepreneurs that are natural monopoly entities or are of great strategic importance for the economy of the Republic of Kazakhstan, capable of influencing the life, health of citizens, national security or the environment, shall be approved by the relevant central executive body, the relevant territorial body of the National Security Committee of the Republic of Kazakhstan, and that for town-forming legal entities - with the relevant local executive body of a region, city of republican significance and the capital.

The submitted rehabilitation plan shall be considered by the approving state bodies specified in part three of this paragraph within ten working days of its receipt.

2. The rehabilitation plan shall be developed by the debtor together with the creditors and the rehabilitation manager within three months of entry into force of the judgment on the application of the rehabilitation procedure.

The developed rehabilitation plan shall provide for equal conditions for satisfying the claims of creditors of the same priority.

3. Term of realizing rehabilitation plan shall not exceed five years.

4. Rehabilitation measures may include any organizational and economic, technical, financial and economic, legal and other measures that are not inconsistent with the legislation of the Republic of Kazakhstan, aimed at restoring the debtor's solvency, including reorganization, sale of property through an electronic auction, financial lease, assignment of the debtor's rights of claims, factoring, reverse factoring, forgiving part of the debt, writing off penalties and fines, exchanging debts for shares, concluding an amicable agreement, etc.

When selling the debtor's property, the procedure for holding and the organizer of the electronic auction shall be determined in the manner provided for by part two of paragraph 1 of Article 99 of this Law.

For the purposes of this Law, financial leasing is understood as a tripartite agreement concluded between the debtor in respect of whom the rehabilitation procedure has been applied, the lessor and the seller of the leased item, where the lessor undertakes to transfer the leased item acquired from the seller and stipulated by the contract to the debtor for a fee and under certain conditions for temporary possession and use for a period of at least three years.

5. If the rehabilitation plan indicates the obtaining of loans (microcredits) as a source of money, it is necessary to attach an agreement on obtaining a loan (microcredit) to the rehabilitation plan.

6. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

7. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

8. A rehabilitation plan for organizations that are natural monopoly entities or have significant strategic importance for the economy of the Republic of Kazakhstan, capable of influencing the life, health of citizens, national security or the environment, shall be coordinated with the relevant central executive body, relevant territorial body of the National Security Committee of the Republic of Kazakhstan, and for city-forming legal entities - with the relevant local executive body of a region, city of republican significance and the capital.

Represented rehabilitation plan shall be considered within ten business days.

9. After the rehabilitation plan is approved by the creditors' meeting, the debtor is obliged to submit it to court within the time frame established by subparagraph 4) of paragraph 2 of Article 59 of this Law.

10. Rehabilitation plan coordinated with the creditors' meeting shall be approved by the court regulation within seven business days from the date of its representation.

11. The court refuses to approve the rehabilitation plan in the following cases:

1) if the creditor who voted against the rehabilitation plan provides the court with justification that the rehabilitation plan contains measures, the implementation of which will entail the satisfaction of the claim of such a creditor to a lesser extent than in case of the bankruptcy procedure;

2) non-compliance with the requirements of Article 26-1 of this Law.

11-1. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

12. Court regulation on approval of rehabilitation plan shall contain the following specifications:

1) on approval of rehabilitation plan;

2) on terms of completing rehabilitation procedure and representation of concluding statement;

3) on the transfer of the right to manage the debtor to the rehabilitation manager;

4) on the transfer of constituent documents, seals (if any), stamps to the rehabilitation manager by the debtor within three working days of issuance of the ruling on the approval of the rehabilitation plan, accounting documentation - within fifteen working days, material and other valuables - within two months.

The provisions of subparagraphs 3) and 4) of part one of this paragraph shall apply if the creditors' meeting entrusts the authority to manage the debtor to the rehabilitation manager in the manner prescribed by paragraph 2 of Article 69 of this Law.

Footnote. Article 73 as amended by the Laws of the Republic of Kazakhstan dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 74. Assignment of the debtor's right of demand

Rehabilitation plan may provide assignment of the debtor's right of demand by selling these requirements at electronic auction conducted in accordance with the legislation of the Republic of Kazakhstan.

Article 75. Powers of the creditors' meeting in the course of the rehabilitation procedure

Footnote. The heading of Article 75 is as amended by Law № 290-VII of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

1. The interim administrator holds the first creditors' meeting during the rehabilitation proceeding, after the publication of the register of creditors' claims on the website of the authorized body.

1-1. The competence of the first creditors' meeting includes:

1) making a decision on entrusting the authority to manage the debtor to an individual entrepreneur - a debtor or a body or person authorized by the owner of property, founder (participant in) of a legal entity - a debtor;

2) selection of a candidate for a rehabilitation manager from among the persons included in the register of notifications of persons entitled to carry out the activities of an administrator ;

3) determination of the amount of payment of the basic remuneration to the rehabilitation manager in cases where the authority to manage the debtor is vested in him/her;

4) determination of the amount of monetary remuneration of an individual entrepreneur - a debtor or a body or person authorized by the owner of property, a founder (participant in) of a legal entity - a debtor, in cases where the authority to manage the debtor is vested in such a body or person;

5) approval of the application of the rehabilitation procedure in the event that the interim administrator draws up an opinion on financial stability specified in subparagraph 3) of paragraph 4 of Article 49 of this Law.

2. Competence of the creditors' meeting shall include:

1) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

2) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

3) determination of the number of members and approval of the composition of the creditors' committee, the chairman of the creditors' committee;

4) introduction of amendments to the composition of the creditors' commission;

5) coordination of rehabilitation plan;

6) coordination of amendments and supplements to rehabilitation plan;

7) giving consent for prolongation of the term of rehabilitation procedure;

8) determination of procedure and terms of bringing information on the course of carrying out rehabilitation procedure by the members of the creditors' commission to the notice of creditors;

9) appropriation of other transactions to the category of those consummated outside the regular commercial operations;

10) coordination of transactions outside the regular commercial operations not provided by rehabilitation plan;

10-1) giving consent to conclude a financial leasing agreement;

11) approval of the sum of debtor indebtedness of the debtor impossible to be recovered;

12) selection of a candidate for rehabilitation manager from among the persons included in the register of notifications of persons entitled to carry out the activity of an administrator;

13) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

13-1) determination of the amount of the basic remuneration of the rehabilitation manager in cases where the powers to manage the debtor are vested in him/her in the manner prescribed by paragraph 3 of Article 69 of this Law;

14) determination of the amount of additional remuneration to the rehabilitation manager in the event that he/she achieves the goal of the rehabilitation procedure;

15) determination of the amount of monetary remuneration of an individual entrepreneur - a debtor or a body or person authorized by the owner of property, a founder (participant in) of a legal entity - a debtor, in cases where the authority to manage the debtor is vested in such a body or person in the manner prescribed by paragraph 3 of Article 69 of this Law;

16) approval of the final report of the rehabilitation manager;

16-1) making a decision on recognizing the reason for the creditor's failure to attend a meeting of creditors to be good;

17) other powers provided by this Law.

3. A creditor is entitled to request information on the financial position of a debtor in the course of rehabilitation proceedings from a rehabilitation manager.

Footnote. Article 75 as amended by the Laws of the Republic of Kazakhstan dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 27.02.2017 № 49-VI (shall be enforced upon expiry of ten calendar days after the day its first official publication) ; dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 76. Special aspects of the creditors' commission in rehabilitation procedure

Creditors' commission shall exercise the following powers:

1) elect the representative of creditors from among the creditors' commission for carrying out control of actions of a rehabilitation manager;

2) require representation of information on financial status of the debtor and court of carrying out rehabilitation procedure from a rehabilitation manager;

3) appeal actions (omission) of a rehabilitation manager in the authorized body and (or) in court;

4) adopt decisions on offset of the creditors' requirements;

4-1) make decision on sale of debtor indebtedness or factoring agreement conclusion;

4-2) give consent for conclusion of a reversed factoring agreement by rehabilitation manager;

5) take the results of audit inspection and inventory surveys into consideration;

6) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

7) determine the procedure for selling the debtor's property outside ordinary commercial transactions, including those provided for by the rehabilitation plan;

8) approve the estimation of administrative costs and number of employees involved for conduct of rehabilitation procedure;

9) conclude and dissolve the contract with a rehabilitation manager;

10) approve the agreement of the participant of financial sanitation with a rehabilitation manager;

10-1) organize a creditors' meeting to consider the dismissal of a person entrusted with the authority to manage the debtor under the rehabilitation procedure;

10-2) organize a creditors' meeting to consider the termination of the rehabilitation procedure on the grounds provided for in subparagraph 2) of paragraph 1 of Article 82 of this Law;

10-3) decide on the need to draw up an opinion on the financial stability of the debtor;

11) other powers provided by this Law.

Footnote. Article 76 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 77. Settlements for the debtor's obligations

Footnote. The heading of Article 77 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

1. From the date of entry into force of a court judgment on the application of the rehabilitation procedure, the following obligations, which became due in the course of the rehabilitation procedure, are subject to fulfillment by the debtor:

1) for compensation for damage to life or health, except for obligations to compensate for moral damage, as well as to pay alimony withheld from wages and (or) other income;

Subparagraph 2) is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

2) for wages and payment of compensation to persons working under a labor contract, for payment of social contributions to the State Social Insurance Fund, mandatory pension contributions and mandatory professional pension contributions, deductions and (or) contributions to mandatory social health insurance, for payment of remuneration to authors for an employee invention, utility model, industrial design;

3) those arising from transactions, including those concluded by a person entrusted with the authority to manage the debtor;

4) for the payment of taxes and other mandatory payments to the budget, calculated by the debtor in accordance with tax reports, accrued by the state revenue body based on the results of tax audits for tax periods following the tax period in which the court judgment on the application of the rehabilitation procedure came into force.

2. Creditors' claims that arose before the application of the rehabilitation procedure and were included in the register of creditors' claims are satisfied in accordance with the schedule for the satisfaction of creditors' claims after the entry into force of the court ruling on the approval of the rehabilitation plan, except for claims for compensation for damage to life or health.

The schedule for the satisfaction of creditors' claims is drawn up in compliance with the priority and settlement rules established by paragraphs 2, 3, 4, 5, 6 and 7 of Article 100 and paragraph 1 of Article 101 of this Law.

In the event of obligations to pay taxes and other mandatory payments to the budget, calculated by the taxpayer in tax reports, as well as accrued by the state revenue body based

on the results of tax audits for past tax periods and the tax period in which the court judgment on the application of the rehabilitation procedure entered into legal force, relevant changes and additions are made to the register of creditors' claims and the rehabilitation plan.

3. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

4. Pledge creditor shall have the right to refer to the court on levy of execution upon property of the debtor being the subject of ensuring the fulfillment of obligation before him (her) in cases of:

- 1) detection of breaches of this Law representing a threat to his (her) legal interests;
- 2) violation of the schedule for the satisfaction of claims of such a creditor;
- 3) decrease of cost of a property being the subject of pledge entailing infringement of his (her) interests;
- 4) if the property, which is the subject of securing the fulfillment of the obligation to him/her, is not required for the continuation of the debtor's activities or implementation of the rehabilitation plan.

The agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall have the right to apply to the court for foreclosure on the debtor's property, which is collateral for the obligation under the syndicated loan agreement, in cases provided for by part one of the first paragraph, when the decision on such an application to the court is taken by the creditors' syndicate participants, whose financing share under the syndicated loan agreement constitutes in aggregate at least two thirds of the total financing.

Footnote. Article 77 as amended by the Law of the Republic of Kazakhstan dated 07.11.2014 No. 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 16.11.2015 № 406-V (shall be enforced from 01.07.2017); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (shall be enforced ten calendar days after the date of its first official publication).

Article 78. Financial sanation

1. If the plan of the debtor's rehabilitation contains his/her/its reorganization as a rehabilitation measure, it is necessary to attach thereto a written obligation of the reorganization participant to transfer money to the debtor and (or) creditors in accordance with the rehabilitation plan, indicating the amount and time frames.

The rehabilitation plan for a debtor - an individual entrepreneur may not include reorganization.

2. Participant of financial sanation may accept the obligation to ensure satisfaction of the requirements of all the creditors within the terms coordinated with them. In this case,

management of the debtor shall be carried out by the participant of financial sanitation or the person appointed by him (her) within powers provided for a rehabilitation manager. Requirements established by paragraph 2 of Article 12 of this Law shall not apply to the participant of financial sanitation.

3. Court, as well as the authorized body shall have the right to demand documents from the participant of financial sanitation confirming a possibility of fulfilling the obligations provided by paragraphs 1 and 2 of this Article by him (her).

Footnote. Article 78 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 79. Agreement of participants of financial sanitation

If participants in the reorganization are two or more persons, who assumed an obligation to ensure the satisfaction of creditors' claims, they shall enter into an agreement on sharing their liability to creditors, the liability of one or more participants in the reorganization in the event of their refusal to participate in the reorganization after it starts, the procedure for participating in the debtor's management.

Footnote. Article 79 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 80. Responsibility of participants of financial sanitation

1. A participant in the reorganization, who assumed the obligation specified in paragraph 2 of Article 78 of this Law, shall bear subsidiary liability for the debtor's outstanding obligations after its liquidation, unless he/she proves that the reorganization goals have not been achieved as a result of force majeure or actions of creditors or the debtor, owner the property of the debtor (the body authorized by him/her).

Upon participation of two and more persons in financial sanitation, they shall be jointly and severally responsible, unless otherwise provided by the agreement.

2. The liability of the participant in the reorganization, who did not assume the obligation to ensure the satisfaction of the creditors' claims, is determined by the agreement of this participant with the rehabilitation manager, which is approved by the creditors' committee.

Footnote. Article 80 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 81. Rights of a participant of financial sanitation

1. Upon termination of proceeding with regard to case on rehabilitation due to reaching the purpose of financial sanitation, its participant that accepted the obligation provided by paragraph 2 of Article 78 of this Law and that is not property owner of the debtor shall obtain the rights of a participant of economic partnership, shareholder of joint stock company in a

sum of invested funds on the basis of decision adopted by the general meeting of participants of economic partnership, shareholders of joint stock company before beginning of financial sanation, and if the debtor is state enterprise, the participant of financial sanation shall obtain the rights of a participant of economic partnership, shareholder of joint stock company after preliminary reorganization of the debtor to economic partnership, joint stock company on the basis of decision of the state body authorized by a property owner. If the debtor is a production cooperative, the participant of financial sanation shall obtain the right of a participant of economic partnership after preliminary reorganization of the debtor to economic partnership on the basis of decision of the general meeting of cooperative members. Mentioned decision shall be represented to the court at the same time with rehabilitation plan.

Size of the charter capital of the economic partnership created in this case may be less than minimum size provided by the legislation of the Republic of Kazakhstan upon condition of replenishment of the charter capital within two years until established sizes.

2. In case of participation of two and more persons in financial sanation, the size of share in a property of the debtor shall be determined proportionally to the sums of the funds used by each of them for the purpose of financial sanation.

Article 82. Termination of the rehabilitation procedure

1. The rehabilitation manager, by decision of the creditors' meeting, files an application for terminating the rehabilitation procedure in relation to the debtor with court in cases where:

- 1) the goal of the rehabilitation procedure in relation to the debtor has been achieved;
- 2) the total amount of the debtor's financial obligations arising after the application of the rehabilitation procedure exceeded twenty percent of the total amount of the accounts payable as at the date of the court judgment to apply the rehabilitation procedure.

The rehabilitation manager's application shall be submitted together with the final report.

2. The rehabilitation manager files an application for terminating the rehabilitation procedure with court if the rehabilitation plan was not approved by the creditors' meeting or the debtor failed to submit the rehabilitation plan within the time frame established by subparagraph 4) of paragraph 2 of Article 59 of this Law.

3. The owner of property (the body authorized by him/her), the founder (participant in) of the legal entity - the debtor has the right to file an application for terminating the rehabilitation procedure with court if:

- 1) there is information confirming damage to his/her interests as a result of implementation of the rehabilitation plan;
- 2) there is information confirming damage to his/her interests as a result of actions (inaction) of the person who is entrusted with the authority to manage the debtor under the rehabilitation procedure;

3) the total amount of the debtor's financial obligations arising after the application of the rehabilitation procedure exceeded twenty percent of the total amount of the accounts payable as at the date of the court judgment to apply the rehabilitation procedure.

The provisions of this paragraph apply to an individual entrepreneur - a debtor if the authority to manage the debtor under the rehabilitation procedure is vested in the person specified in subparagraph 2) of paragraph 1 of Article 69 of this Law.

4. The creditor (creditors) has (have) the right to file an application for terminating the rehabilitation procedure with court in case of:

1) grounds confirming that the implementation of the debtor's rehabilitation plan is detrimental to his/her property interests;

2) grounds confirming that actions (inaction) of the rehabilitation manager are detrimental to his/her property interests;

3) improper notification about the creditors' meeting.

5. In the event of a court ruling on the refusal to approve the rehabilitation plan, the rehabilitation procedure shall be terminated.

Footnote. Article 82 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 83. Transition from the rehabilitation procedure to bankruptcy procedure

1. The transition from the rehabilitation procedure to the bankruptcy procedure is carried out on the basis of a court judgment to terminate the rehabilitation procedure, declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure.

2. The rehabilitation manager, within ten working days of the decision of the creditors' meeting, files an application with court for terminating the rehabilitation procedure, declaring the debtor bankrupt and initiating the bankruptcy procedure if, during the rehabilitation procedure, an opinion was drawn up that the debtor belongs to the III class of financial stability and there are grounds for declaring him/her/it bankrupt.

The opinion on the financial stability of the debtor is drawn up by the rehabilitation manager with account of the provisions of Article 49-1 of this Law.

3. The opinion on the financial stability of the debtor in the course of the rehabilitation procedure is drawn up by the rehabilitation manager in the form established by the authorized body, within one month of:

1) the decision of the creditors' committee on the need to draw up such an opinion following consideration of the information specified in subparagraph 8) of paragraph 3 of Article 71 of this Law;

2) receipt of the creditor's petition if the debtor has been failing to comply with the schedule for satisfying the claims of such a creditor for more than three months.

4. When making a decision on the rehabilitation manager's filing an application with court, the creditors' meeting shall simultaneously select a bankruptcy manager from among

the persons whose notifications are included in the register of notifications of persons entitled to carry out the activities of an administrator.

5. The court shall consider the rehabilitation manager's application for terminating the rehabilitation procedure, declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure in accordance with the general rules of civil proceedings with account of special provisions of this Law.

6. Based on the results of the consideration of the case, the court makes a judgment to terminate the rehabilitation procedure, declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure.

Footnote. Article 83 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 6. BANKRUPTCY PROCEEDING Article 84. Term of conducting a bankruptcy proceeding

1. The time frame for conducting the bankruptcy procedure is nine months and may be extended by the creditors' meeting up to two years given grounds specified in paragraph 2 of this article.

A repeated extension of the time frame for conducting the bankruptcy procedure is allowed given grounds specified in paragraph 2 of this article, and with account of which the total period for conducting such a procedure does not exceed five years.

In the event of a repeated extension of the bankruptcy procedure, the basic remuneration of the bankruptcy manager and other administrative expenses shall be paid at the expense of the creditors who voted for such an extension, in proportion to the amounts of their claims included in the register of creditors' claims.

The time frame for the bankruptcy procedure is calculated from the date of entry into force of the court judgment on declaring the debtor bankrupt.

2. Grounds for prolongation of the term of conducting a bankruptcy proceeding are:

1) existence of case in a judicial proceeding concerning property interests of the debtor and its creditors;

2) existence of unsold property;

3) is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);

4) necessity to eliminate the breaches of the legislation of the Republic of Kazakhstan mentioned in the court regulation on refusal in approval of the concluding statement;

5) necessity to eliminate the breaches of the legislation of the Republic of Kazakhstan detected by the authorized body.

Footnote. Article 84 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 85. Participants of bankruptcy proceeding

Participants of bankruptcy proceeding are:

- 1) the court considering a bankruptcy case;
- 2) authorized body;
- 3) bankrupt;
- 4) the owner of the bankrupt's property (a body authorized by him/her/it), participants (founders);
- 5) creditor;
- 6) temporary and bankruptcy managers;
- 7) other interested persons.

Footnote. Article 85 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 86. Powers of the court in bankruptcy proceeding

Court in bankruptcy proceeding shall have the following powers:

- 1) to initiate and terminate the bankruptcy procedure;
- 2) inform the body in charge of state registration of legal entities, the authorized body, the chamber of private enforcement agents and the territorial justice agency at the location of the debtor on the decision to declare the debtor bankrupt;
- 3) to accept the cases to own proceeding on disputes of property nature on which the bankrupt acts as defendant;
- 4) **is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication);**
- 5) to resolve the disputes between participants of the bankruptcy proceeding;
- 6) at the request of the creditor, examine the validity of the amount of administrative expenses or a loan received for the purpose of conducting the bankruptcy procedure.

Footnote. Article 86 as amended 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 the date of its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 87. Consequences of initiation of the bankruptcy proceeding

1. From the date of issuance of decision by the court on declaring the debtor as bankrupt and initiation of the bankruptcy proceeding:

- 1) the owner of property, founders (participants), all bodies of a legal entity are prohibited from using and selling property, and also from repaying obligations;
- 2) terms of all debts obligations of bankrupt shall be considered as expired;

3) accrual of penalty and remuneration (behalf) on all the types of debts of a bankrupt shall be terminated;

4) disputes of property nature with participation of a bankrupt considered in the court shall be terminated, if decisions adopted on them are not enter into legal force;

5) requirements may be submitted to a bankrupt only within the bankruptcy proceeding, with the exception of requirements on exercise of the guarantees and sureties of third parties, as well as levy of execution upon a pledge subject in cases when the pledgeholder is the third parties;

6) on the basis of the administrator's application and the submitted copy of the court judgment on declaring the debtor bankrupt, all restrictions and encumbrances on the bankrupt's property (collection orders issued to the debtor's accounts, arrests on property and others) are removed without relevant decisions made by the bodies that imposed them;

7) imposition of new arrests on a property of a bankrupt and other restrictions in disposal of the property of the bankrupt shall be allowed only on claims on invalidation of transaction and vindication of the property from illegal possession submitted to the bankrupt.

2. The bankrupt's property not transferred to the purchaser as at the date of a court ruling on the initiation of the bankruptcy procedure is included in the bankrupt's property mass, and the creditor or would-be purchaser under the unfulfilled obligation has the right to present his/her claims against the debtor under the bankruptcy procedure.

Footnote. Article 87 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 88. Powers of the interim manager

1. The interim manager has the right to:

1) request information from state bodies, individuals and legal entities on the debtor, his/her property, including copies of supporting documents, which shall be provided to him/her free of charge within ten working days of the request;

2) identify transactions made by the debtor under the circumstances specified in Article 7 of this Law, and claim their invalidation and judicial return of property, also at the request of the creditor who identified such a transaction;

3) request documents confirming the ground for and amount of the stated claims from creditors;

4) exercise other rights provided for by this Law and the legislation of the Republic of Kazakhstan.

2. From the day of a court ruling to initiate a bankruptcy proceeding and until the end of it, the interim manager is obliged to:

1) collect information on the financial condition of the debtor on the basis of accounting documents and financial statements in order to draw up an opinion on the financial stability of the debtor;

- 2) submit an opinion on the financial stability of the debtor to court;
- 3) carry out other obligations provided for by this Law and the legislation of the Republic of Kazakhstan.

3. After a court judgment on declaring the debtor bankrupt and before the appointment of the bankruptcy manager, the interim manager is obliged:

- 1) within two working days of declaring the debtor bankrupt, to send the publication on declaring the debtor bankrupt in the Kazakh and Russian languages to the authorized body for posting it on its website;

- 2) within seven working days of declaring the debtor bankrupt, to request from the authorized body information on the availability and numbers of bank accounts of the person with a final and binding court judgment on declaring him/her bankrupt, on the balance and movement of money in these accounts;

- 3) to notify the bankrupt's employees about the upcoming termination of a labor contract in accordance with the labor legislation of the Republic of Kazakhstan;

- 4) to accept the constituent documents, accounting documents, documents of title to the property of the bankrupt, seals (if any), stamps, material and other valuables, belonging to the bankrupt, from the bankrupt's officials;

- 5) to form a register of creditors' claims in the manner, within the time frames and in the form established by the authorized body;

- 6) to ensure, in accordance with the established procedure, the accounting of creditors' claims, denominated in foreign currency, in tenge at the official rate established by the National Bank of the Republic of Kazakhstan as at the date of the court judgment decision to declare the debtor bankrupt;

- 7) to carry out an inventory of the bankrupt's property mass and submit an inventory report to the first creditors' meeting;

- 8) Excluded by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication);

- 9) to provide the authorized body with current and requested information on the progress of the bankruptcy procedure in the form, in the manner and on the terms established by the authorized body;

- 10) on the basis of a written request from a creditor, individual entrepreneur - bankrupt, owner of property (a body authorized by him/her), founder (participant in) of a legal entity - bankrupt, notify about the progress of the bankruptcy procedure within three working days of receipt of the request;

- 11) to notify creditors about the date, time and place of the creditors' meeting;

- 12) if the court issues an act affecting the interests of the debtor and his/her creditors, to submit to the creditor or the debtor, whose application was a ground for initiating a bankruptcy case, a copy thereof within three working days of receipt of the issue of appeal against this judicial act for consideration;

13) to organize and hold the first creditors' meeting;

14) to transfer to the bankruptcy manager, within three working days of his/her appointment, constituent documents, accounting documentation, documents of title to the bankrupt's property, seals (if any), stamps, material and other valuables belonging to the bankrupt;

15) in case of cancellation of the court judgment on declaring the debtor bankrupt, to transfer the constituent documents, accounting documentation, documents of title to the debtor's property, seals (if any), stamps, material and other valuables belonging to the debtor to him/her/it within three working days of adoption of the relevant judicial act;

16) to perform other duties provided for by this Law and the legislation of the Republic of Kazakhstan.

Footnote. Article 88 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 89. Powers of a bankruptcy manager

1. Bankruptcy manager shall have the right to:

1) request documents confirming the ground and sum of filing requirements from the creditors;

2) to receive a loan for conducting the bankruptcy procedure with the consent of the creditors' meeting;

3) conclude a settlement agreement according to the procedure established by this Law;

4) to appeal against actions (inaction), decisions of the creditors' meeting and the creditors' committee, the authorized body in the manner prescribed by the legislation of the Republic of Kazakhstan;

5) to file an application with court for invalidating the debtor's reorganization that was carried out by merger, division or separation within three years prior to the initiation of a bankruptcy case and led to the withdrawal of property.

2. The bankruptcy manager is obliged:

1) within three working days of his/her appointment, to accept the constituent documents, accounting documentation, documents of title to the property of the bankrupt, seals (if any), stamps, material and other valuables belonging to the bankrupt from the interim manager;

2) within seven working days of his/her appointment, to request information on the bankrupt, property and copies of supporting documents belonging to him/her from state bodies, individuals and legal entities, which shall be provided to him/her on a gratuitous basis within ten working days of the request, if the specified information and documents were not transferred to him/her by the interim manager;

3) within seven working days of his/her appointment, to request from the authorized body information on the presence and numbers of bank accounts of the person with a final and binding court judgment on declaring him/her bankrupt, on the balance and movement of money in these accounts;

4) to ensure the protection of and control over the property of the bankrupt;

5) within seven working days of identification of persons indebted to the bankrupt, to claim judicial collection of these debts, except for cases of the decision of the creditors' committee to sell accounts receivable or conclude a factoring agreement;

6) within seven working days of signing the minutes of the meeting of the creditors' committee, to conclude a reverse factoring agreement;

7) to identify transactions made by the debtor or a person authorized by him/her under the circumstances specified in Article 7 of this Law, and claim their judicial invalidation or return of property, also at the request of the creditor who identified such a transaction;

8) on the basis of the decision of the creditors' committee, within ten working days of signing the minutes of the meeting of the creditors' committee, to amend, terminate, refuse to execute or challenge the validity of contracts concluded by the debtor prior to the initiation of a bankruptcy proceeding;

9) within ten working days of the debtor's submission of the rehabilitation plan approved by the creditors' meeting, to submit to the individual entrepreneur - the debtor, the owner of the property (the body authorized by him/her), the founder (participant in) of the legal entity - the debtor, an opinion on the financial stability of the debtor, taking into account the implementation of measures provided by the rehabilitation plan;

10) to sell the bankrupt's property in accordance with the sale plan;

11) to keep a register of creditors' claims;

12) to identify the persons specified in paragraph 4 of Article 11 of this Law and file a lawsuit to bring them to subsidiary liability;

13) to make settlements with creditors within five working days of receipt of money in favor of the debtor, and also make settlements with creditors in accordance with the established procedure for satisfying creditors' claims;

14) to provide the authorized body with current and requested information on the progress of the bankruptcy procedure in the form, in the manner and within the time frames established by the authorized body;

15) to inform the creditor on the progress of the bankruptcy procedure, the debtor's financial condition pursuant to the creditor's written request, within three working days of receipt of the request;

16) in case of a court judgment affecting interests of the bankrupt and his/her creditors, within seven working days of its receipt, to provide the creditors' committee with its copy for considering the appeal of this judicial act, unless otherwise provided for by the agreement on the bankruptcy procedure with the bankrupt manager;

17) to notify creditors about the date, time and place of sessions of the creditors' meeting and committee;

18) within three working days of the entry into legal force of a court ruling on the completion of the bankruptcy procedure, to send an application for closing the bankrupt's bank accounts to the bank, organization carrying out certain types of banking operations, to destroy the seal (if any) of the bankrupt;

19) if the court decides to terminate the rehabilitation procedure, to declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure, to accept the constituent documents, accounting documents, documents of title to the bankrupt's property, seals (if any), stamps, material and other valuables belonging to the bankrupt from the rehabilitation manager within three working days of his/her appointment;

20) to transfer constituent documents, accounting documents, documents of title to property, seals (if any), stamps, material and other valuables within three working days of:

making a decision to cancel a court judgment on declaring the debtor bankrupt – to the debtor or the rehabilitation manager;

signing the deed of transfer upon sale of the bankrupt's enterprise - to the buyer;

21) in the event of the dismissal (termination) of the bankruptcy manager, to transfer the constituent documents, accounting documentation, documents of title to the bankruptcy property, seals (if any), stamps, material and other valuables belonging to the bankrupt to the newly appointed bankruptcy manager within three working days of his/her appointment, as well as available information on the existence and numbers of the bankrupt's bank accounts, the balance and movement of money in these accounts;

22) to conclude an agreement on the bankruptcy procedure with the creditors' committee within ten working days of its appointment;

23) to inform law enforcement agencies on the available data indicating the presence of signs of premeditated bankruptcy;

24) in the cases established by Article 6 of this Law, to file a lawsuit for bringing the founder (participant) and (or) an official to subsidiary liability and collecting amounts to the extent determined in accordance with paragraph 3 of Article 96 of this Law;

25) to exercise other powers in accordance with this Law and the legislation of the Republic of Kazakhstan.

3. After a court judgment to terminate the rehabilitation procedure, declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure, the bankruptcy manager is also obliged to:

1) send an announcement of declaration the debtor bankrupt and the procedure for filing claims by creditors in the Kazakh and Russian languages to the authorized body for posting it on its website within two working days of his/her appointment;

2) fulfill the obligations provided for by subparagraphs 2) – 8) of paragraph 3 of Article 88 and paragraph 1 of Article 92 of this Law.

Footnote. Article 89 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 the date of its first official publication); dated 22.04.2015 No. 308-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 27.02.2017 № 49-VI (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 16.05.2018 No. 155-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 90. Formation of the register of creditors' claims under the bankruptcy procedure

1. The interim manager is obliged, within two months of his/her appointment, to form a register of creditors' claims in the Kazakh and Russian languages in the manner and in the form established by the authorized body.

In order to form the register of creditors' claims, the interim manager, within two working days of a court judgment to initiate a bankruptcy proceeding, and if the applicant is a creditor for taxes and customs payments or a state body or legal entity partially owned by the state - from the date of his/her appointment, sends an announcement of the initiation of the bankruptcy proceeding and the procedure for filing claims by creditors in the Kazakh and Russian languages to the authorized body for posting it on its website.

Creditors' claims are accepted by the interim manager at the location of the debtor or at the place of registration of the administrator indicated by him/her in the notification about the commencement of activities as an administrator.

The authorized body, within two working days of receipt of the announcement, is obliged to post it on its website.

If the debtor has a website, it is mandatory to publish the message there.

2. The interim manager, within two working days of receipt of a court judgment or writs of execution on the collection of money from the debtor from law enforcement agents, shall notify such creditors in writing about the initiation of a bankruptcy proceeding (a case on declaring the debtor bankrupt) and the procedure for filing claims.

The interim manager, within two working days of initiation of the bankruptcy proceeding, and if the applicant is a creditor for taxes and customs payments or a state body or legal entity partially owned by the state - from the date of his/her appointment, also notifies in writing the citizens to whom the debtor is liable for damage to life or health about initiating a bankruptcy proceeding (a case on declaring the debtor bankrupt) and the procedure for filing claims.

3. Creditors shall declare claims against the bankrupt within a month of publication of the announcement of the procedure for filing claims by creditors.

Creditors' claims shall contain:

1) information on the amount of the claim (separately on the amount of the principal debt, remuneration (interest), forfeit and other penalties, losses). The amount of the claim is determined as at the date of statement of the specified claim

2) an indication of one of the methods of notifying about the creditors' meeting, specified in paragraph 1 of Article 25 of this Law.

The request shall be submitted together with copies of documents confirming the ground for and amount of the claim (final and binding court judgments, copies of contracts, recognition of the debt by the debtor) and original documents for verification.

If the amount of the claim for remuneration (interest) and losses, specified in subparagraph 1) of part two of this paragraph, is changed as at the date of the court judgment to declare the debtor bankrupt, the creditor, within ten working days of the court judgment, shall re-state his/her claims with account of the changes.

Creditors are also entitled to submit other documents confirming the ground for and amount of the claim.

The creditor's claim may not be entered in the register of creditors' claims to the extent that would not be subject to collection in the manner prescribed by the civil legislation of the Republic of Kazakhstan, due to the expiration of the limitation period.

Creditors' claims denominated in foreign currency are accounted for in tenge at the official rate established by the National Bank of the Republic of Kazakhstan as at the date of the court judgment to declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure.

The agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall state the claims separately on each creditors' syndicate participant on the basis of the syndicated loan agreement.

If a bankruptcy case has been initiated against an individual entrepreneur, creditors' claims that do not arise from his entrepreneurial activity must also be asserted.

4. Changes and additions to the formed register of creditors' claims are made in the manner prescribed by the authorized body.

5. A creditor's claim filed after the deadline, specified in part one of paragraph 3 of this article, is entered in the register of creditors' claims, but such a creditor is deprived of the right to vote at the creditors' meeting until creditors' claims stated within the month are fully satisfied.

6. Creditors' claims shall be considered by the interim manager or bankruptcy manager within ten working days of filing such claims.

Based on the results of consideration, the recognized claims shall be entered in the register of creditors' claims.

The register may include those claims of creditors, which they earlier stated in court, if they meet the requirements, specified in part two of paragraph 3 of this article, given the creditor's application.

7. The register of creditors' claims does not include:

1) creditors' claims determined by the legislation of the Republic of Kazakhstan on project financing and securitization, secured by allocated assets, and claims of holders of mortgage bonds, secured by a pledge of such property as rights of claim under mortgage agreements (including pledge of mortgage certificates), and also government securities of the Republic of Kazakhstan in cases where the ownership right to the said bonds was accrued by their holders or was transferred to them under transactions or on other grounds provided for by the laws of the Republic of Kazakhstan;

2) creditors' claims for infrastructure bonds secured by a state guarantee;

Subparagraph 3) is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

3) claims of the founders (participants in) of the debtor, except for their claims for wages, payment of compensation under labor contracts, obligations for social contributions to the State Social Insurance Fund, mandatory pension contributions and mandatory professional pension contributions, for deductions and (or) contributions to mandatory social health insurance;

4) claims of secured creditors settled as a result of foreclosure on a pledged item in cases where third parties are the pledger.

8. Creditors have the right to present claims against the debtor, which include the amount of the debt and the remuneration (interest) due for this amount, losses caused by a failure to perform or improper performance of the obligation on the part of the debtor, forfeits (fines, penalties) and other penalties.

9. The amount of remuneration (interest) and losses is determined as at the date of the court judgment to declare the debtor bankrupt.

10. Expenses of creditors related to their participation in the bankruptcy procedure shall not be reimbursed.

Footnote. Article 90 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 91. Consideration of creditors' claims

1. The interim manager is obliged to notify each creditor in writing of the results of consideration of the creditors' claims (of the recognition or non-recognition of a claim in full or in part, indicating reasons for non-recognition) on the day following the day of the decision . With regard to creditors' claims filed after the debtor is declared bankrupt, the interim or bankruptcy manager is obliged to notify such a creditor in writing on the day following the day of the decision.

In the notification about recognition of the creditor's claim (in full or in part), the interim or bankruptcy manager shall indicate the date, time, place and agenda of the first creditors' meeting.

The provisions of part two of this paragraph apply to the bankruptcy manager if the court decides to terminate the rehabilitation procedure, declare the debtor bankrupt and liquidate it with the initiation of the bankruptcy procedure.

2. In case of disagreement with the decision of the interim or bankruptcy manager, the creditor has the right, within ten working days of receipt of the notification of the results of consideration of the claims, to appeal against such a decision in the court considering the bankruptcy case.

Footnote. Article 91 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 92. Publication of the register of creditors' claims

1. The interim manager is obliged to send the formed register of creditors' claims, as well as the list of creditors with unrecognized claims, to the authorized body, within three working days of formation of the register of creditors' claims, for posting it on its website.

The authorized body, within two working days of receipt of the register of creditors' claims, is obliged to post it on its website.

2. The creditor has the right to appeal the amount of his/her claim, as well as the amount of and grounds for the claims of other creditors entered in the published register, within ten working days of its publication.

The amount of and grounds for claims of creditors entered in the published register may also be appealed against by an individual entrepreneur - a debtor, an owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor within the time frames established in part one of this paragraph.

Footnote. Article 92 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 93. Powers of the creditors' meeting in a bankruptcy proceeding

1. The first meeting of creditors shall be held by a temporary manager within twenty working days from the date of declaring the debtor bankrupt.

2. The first creditors' meeting:

- 1) makes a decision to appraise the property, except for pledged property;
- 2) selects a bankruptcy manager from among the persons whose notifications are included in the register of notifications of persons entitled to carry out the activities of an administrator ;
- 3) determines the number and composition of the creditors' committee, the chairman of the creditors' committee;
- 4) approves the rules of procedure of the creditors' committee;
- 5) considers a report on the inventory of the bankrupt's property mass;
- 6) makes a decision to continue (terminate) the bankrupt's activities.

3. The competence of the creditors' meeting includes:

- 1) selection of a candidate for a bankruptcy manager from among the persons whose notifications are included in the register of notifications of persons entitled to carry out the activities of an administrator;
- 2) making changes and additions to the composition of the creditors' committee;
- 3) making a decision on the direct sale of the bankrupt's property;
- 4) making a decision on early redemption of the leased asset;
- 5) determination of the size of the basic remuneration to the bankruptcy manager within the limits established by the authorized body;
- 6) making a decision to extend the term for conducting the bankruptcy procedure;
- 7) approval of the final report;
- 8) making a decision on obtaining a loan by the bankruptcy manager for conducting the bankruptcy procedure;
- 9) making a decision to conclude an amicable agreement;
- 10) making a decision on the transition to the rehabilitation procedure in the course of the bankruptcy procedure;
- 11) approval of a rehabilitation plan in the case specified in Article 95-1 of this Law;
- 12) making a decision on recognizing as valid the reason for the creditor's failure to appear at the creditors' meeting;
- 13) other rights provided for by the legislation of the Republic of Kazakhstan.

4. When choosing a candidate for a bankruptcy manager, the creditors' meeting can obtain recommendations regarding persons included in the register of notifications of persons entitled to carry out the activities of an administrator from professional associations of persons entitled to carry out activities of an administrator.

Creditors' meeting shall be obliged to notify elected candidate on his (her) selection as a bankruptcy manager before nomination of his (her) candidacy to the authorized body.

Authorized body shall be obliged to appoint the candidacy represented by the creditors' meeting as a bankruptcy manager within five business days from the date of its representing by the creditors' meeting.

If the authorized body discovers circumstances that prevent the appointment of a bankruptcy manager on the basis of part one of paragraph 5 of Article 12 of this Law, the authorized body, within five working days of the discovery, is obliged to send a reasoned refusal to the creditors' meeting for appointing the bankruptcy manager or a message on removing the bankruptcy manager from the register of notifications of persons entitled to carry out the activities of an administrator, on the basis of subparagraph 3) of paragraph 8 of Article 12 of this Law.

Creditors' meeting shall be obliged to represent the other candidacy for appointment as a bankruptcy manager in case of refusal of the authorized body in appointment of the represented candidacy.

5. A creditor is entitled to request information on the financial position of the debtor in the course of rehabilitation proceedings from a bankruptcy manager.

Footnote. Article 93 as amended by the Laws of the Republic of Kazakhstan dated 29.12.2014 No. 269-V (shall be enforced from 01.01.2015); dated 22.04.2015 No. 308-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 27.02.2017 № 49 -VI (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 94. Powers of the creditors' committee under the bankruptcy procedure

The creditors' committee:

- 1) exercises operational control over the conduct of the bankruptcy procedure and the activities of the bankruptcy manager;
- 2) concludes and terminates an agreement with the bankruptcy manager;
- 3) approves an action plan for conducting the bankruptcy procedure, which is an integral part of the contract;
- 4) makes a decision on the appraisal of the bankrupt's property, which is newly discovered or returned into the bankrupt's property mass;
- 5) determines the list of goods, works and services purchased by the bankruptcy manager;
- 6) decides on the mutual offset of claims between the debtor and the creditor;
- 7) organizes a creditors' meeting to consider the dismissal of the bankruptcy manager and simultaneous selection of a new bankruptcy manager;
- 8) approves the plan for the sale of property;
- 9) makes a decision on putting up property for electronic auction at its book value;
- 10) approves the amount of the debtor's accounts receivable that cannot be collected;

11) decides to write off movable property on the balance sheet, but absent according to the inventory act;

12) determines the conditions for concluding a contract for the property rent (lease) of the debtor's property;

13) exercises other powers provided for by this Law.

Footnote. Article 94 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 95. Representation of interests of the creditors on payment for labour

1. Persons having requirements to the debtor on payment for labour shall elect a representative at the meeting (conference) by secret voting authorized to protect their interests before the debtor, its creditors.

Representative of the creditor on payment for labour shall be included to the composition of the creditors' commission.

2. A representative elected in accordance with the procedure, specified in paragraph 1 of this article, shall enjoy all the rights of a creditor, which are granted to him/her by this Law, during the bankruptcy procedure. The representative reports to the meeting (conference) that elected him/her on the results of entering claims for wages in the register of creditors' claims.

Footnote. Article 95 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 95-1. Transition from the bankruptcy procedure to rehabilitation procedure

1. In the event that the rehabilitation procedure was not applied to the debtor, and during the bankruptcy procedure, an individual entrepreneur - a debtor, an owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor developed a rehabilitation plan that meets the requirements of paragraphs 1, 4 and 5 of Article 73 of this Law, an individual entrepreneur - a debtor, an owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor have the right to petition the bankruptcy manager for holding a creditors' meeting to consider the developed rehabilitation plan and possibility of transition from the bankruptcy procedure to the rehabilitation procedure.

The bankruptcy manager is obliged, within three working days of receipt of the petition of the individual entrepreneur - the debtor, the owner of the property (the body authorized by him/her), the founder (participant in) of the legal entity - the debtor, to notify the creditors of the creditors' meeting in the manner prescribed by Article 25 of this Law.

2. If the creditors' meeting approves the proposed rehabilitation plan and transition from the bankruptcy procedure to rehabilitation procedure, the meeting is obliged to simultaneously resolve the issue of entrusting the authority to manage the debtor to the

individual entrepreneur - the debtor or the body or person authorized by the owner of the property, founder (participant in) of the legal entity - the debtor or elect a candidate for the rehabilitation manager from among the persons included in the register of notifications of persons entitled to carry out the activities of an administrator.

3. Within ten working days of receipt of the rehabilitation plan, the bankruptcy manager is obliged to draw up, in the form established by the authorized body, an opinion on the financial stability of the debtor, taking into account the implementation of the measures provided for by the rehabilitation plan, and send it to the owner of the property (the body authorized by him/her), founders (participants in) of the legal entity - the debtor, individual entrepreneur.

The opinion on the debtor's financial stability, provided for by this paragraph, is drawn up by the bankruptcy manager with account of Article 49-1 of this Law.

4. The owner of the property (the body authorized by him/her), the founder (participant in) of the legal entity - the debtor, the individual entrepreneur have the right to file an application with court for terminating the bankruptcy procedure, applying the rehabilitation procedure and approving the rehabilitation plan given the consent of the creditors' meeting and the opinion of the bankruptcy manager on the debtor's financial stability, according to which the debtor belongs to the class I of financial stability, based on the results of implementation of the measures provided for by the rehabilitation plan.

5. The court shall consider the application of an individual entrepreneur - a debtor, an owner of property (a body authorized by him/her), a founder (participant in) of a legal entity - a debtor to terminate the bankruptcy procedure, apply the rehabilitation procedure and approve a rehabilitation plan in accordance with the general rules of civil proceedings with account of special provisions of this Law.

6. Based on the results of consideration of the case, the court makes judgments on terminating the bankruptcy procedure, applying the rehabilitation procedure and approving the rehabilitation plan, or on refusal.

7. In the event of a court judgment on the application of the rehabilitation procedure and approval of the rehabilitation plan, the judgment on declaring the debtor bankrupt and liquidating it with the initiation of the bankruptcy procedure shall be canceled by the court that issued the judgment.

Footnote. Chapter 6 is supplemented by Article 95-1 in accordance with the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 96. Property mass

1. Composition of property mass shall include:

1) property of a bankrupt, as well as those not reflected in its financial documents, but on which there are documents confirming the right of property of the debtor including the rights of requirement (debtor indebtedness);

2) rights of a permanent and long-term temporary land user of a bankrupt in cases provided by the land legislation of the Republic of Kazakhstan.

2. The property mass includes and accounts separately for the personal property of an individual entrepreneur – a bankrupt, the property of participants in a full partnership, limited partnership, additional liability partnership, as well as members of a production cooperative, which, in case of insufficient property of a bankrupt in accordance with the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of law enforcement agents, can be foreclosed on.

3. The amount of the stated claims when bringing a person to subsidiary liability is equal to the amount of damage established by a judicial act on the basis of which such a person was found guilty of premeditated bankruptcy in the course of administrative or criminal proceedings.

4. Property mass shall not include:

1) material values of the state material reserve;

2) allocated assets that shall be collateral for the obligations of a special financial company in project financing and security for bonds of a special financial company in securitization in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, and pledged property that is the following collateral for mortgage bonds: the right to claim under home mortgage loan agreements (including mortgage certificates), as well as state securities of the Republic of Kazakhstan in cases where the ownership of these bonds arose from their holders or passed to them on transactions or other grounds provided for by the Laws of the Republic of Kazakhstan.

The allocated assets shall be transferred by the bankrupt manager to the management (with the right to sell the allocated assets and foreclosure on the pledged property and other security included in the allocated assets) of the representative of the bondholders of the special financial company in the manner determined by the regulatory legal act of the authorized body carrying out state regulation, control and supervision of the financial market and financial organizations.

Mortgaged property, which shall be collateral for mortgage bonds specified in Part 1 of this sub-clause, shall be transferred to the bankrupt managing representative of mortgage bond holders to satisfy the requirements of the mortgage bond issuer's creditors;

2-1) property sold to a state Islamic special purpose financial company on the basis of a decision of the Government of the Republic of Kazakhstan;

3) funds of liquidation funds created in accordance with the legislation of the Republic of Kazakhstan on subsoil and subsoil use;

4) property that is part of the assets of a public-private partnership entity, including concessions;

5) a bank deposit of the category I facility operator, which is a financial security of claims for the obligations related to elimination of activities' consequences, as well as units of emission reduction quotas, certified emission reductions, internal reduction of emissions, absorption of greenhouse gases, provided for by the Environmental Code of the Republic of Kazakhstan;

6) the pledged property in case of its transfer to the secured creditor in the manner and on the conditions provided for in Article 104-1 of this Law;

7) rights of a temporary gratuitous and temporary short-term compensated lands use (rent) ;

8) financial instruments of the client (clearing member) of a clearing house, which are full or partial collateral for obligations for transactions, margins, contributions to clearing (guarantee or reserve) funds provided for by the legislation of the Republic of Kazakhstan on the securities market;

9) voting shares (participatory interests in the authorized capital) of a legal entity that carries out the activity in the field of equity participation in the construction of a residential house (residential building);

10) leasing subject, with the exception of the case of a decision by the meeting of creditors on early redemption of leasing subject.

11) a security fee granted to the creditor in the manner and on the terms determined by the transaction (s) under the major financial agreement, before the date of initiation of bankruptcy proceedings and (or) rehabilitation or the date of revocation of the debtor's license to engage in financial activities and (or) activities related to the concentration of financial resources, whichever is earlier.

Footnote. Article 96 as amended by the Law of the Republic of Kazakhstan dated 31.10.2015 № 380-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 07.04.2016 № 487-V (shall be enforced upon expiry of six months after the day its first official publication) Footnote; dated 24.05.2018 No. 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 401-VI (effective from 01.07.2021); 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 97. Inventory of property mass of a bankrupt

1. The interim manager takes inventory of the bankrupt's property mass, except for the pledged property, and submits an inventory report to the first creditors' meeting.

2. On the basis of the report on inventory, the creditors' meeting shall adopt decision on:

1) approval of the report on inventory and on instruction to the bankruptcy manager to begin assessment and sale of the property mass;

2) clarification of report on inventory and establishment of the term of representing report on repeated inventory to a bankruptcy manager that shall not exceed ten business days.

3. The bankruptcy manager shall, within five working days, take inventory and submit an inventory report to the creditors' committee in respect of:

newly identified property or that returned to the debtor - from the date of taking such property under his/her protection and control;

pledged property - from the date of refusal of the collateral creditor or the agent bank, acting on behalf of and in the interests of the participants of the syndicate of creditors in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, from accepting the pledged property in kind or non-presentation by the collateral creditor or agent bank, acting on behalf of and in the interests of participants in the syndicate of creditors in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, of response to the proposal of the bankruptcy manager within the period established by paragraph 3 of Article 104-1 of this Law.

Footnote. Article 97 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 98. Appraisal of the bankrupt's property

1. The first meeting of creditors shall decide on:

conducting assessment of the property indicated in the report of the interim manager on the inventory;

selection of an appraiser of the pledged property from among the persons who submitted price proposals for the assessment of such property.

The decision to appraise the newly identified property or that returned into the property mass is taken by the creditors' committee when considering the inventory report of the bankruptcy manager.

2. The decision of the first meeting or the creditors' committee on the appraisal shall indicate time frames for the appraisal of the bankrupt's property and the procedure for selecting the appraiser.

3. In accordance with the decision of the first meeting or the creditors' committee, the bankruptcy manager, with the involvement of appropriate specialists, shall appraise the debtor's property, including accounts receivable.

4. The bankruptcy manager, on the basis of the decision of the creditors' committee, has the right to put up the property for electronic auction at its book value.

Footnote. Article 98 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 99. Sale of the bankrupt's property

1. The sale of the bankrupt's property, including the right of claim, is carried out by the bankruptcy manager through electronic auction in accordance with the sale plan or by direct sales.

The procedure for holding electronic auction for the sale of the bankrupt's property and its organizer are determined by the authorized body.

2. The sale plan shall be drawn up by the bankruptcy manager on the basis of the inventory data and appraisal of the bankrupt's property mass, as well as the decision of the creditors' committee to put the property up for an electronic auction at its book value.

The bankruptcy manager shall draw up and submit the sale plan to the committee of creditors within the time limit set by the committee of creditors.

3. The bankrupt's property of limited transferability is sold at a closed electronic auction. Participants in a closed electronic auction may be persons entitled to purchase this property.

4. The bankrupt's property offered for sale, but remained unrealized in accordance with the plan for the sale of property, is subject to transfer to the creditors of corresponding priority, whose claims were not satisfied in full, given their consent, into common shared ownership at the opening price specified in the sale plan.

5. When selling a strategic object, the Republic of Kazakhstan has the priority right to purchase such property.

A bankruptcy manager sells a strategic object after receiving a decision of the Government of the Republic of Kazakhstan to issue a permit for its alienation in accordance with the Law of the Republic of Kazakhstan "On State Property".

6. In case of direct sale of the bankrupt's property, and also of his/her enterprise, the price and other conditions of sale, as well as the purchaser and the term for concluding a purchase and sale agreement with him/her, shall be determined by the creditors' meeting unanimously.

7. If the bankrupt's property mass includes property, the value of which will significantly decrease before the appointment of a bankruptcy manager (perishable goods, livestock and other goods requiring urgent sale), an interim manager, within three working days of identification of such property, is obliged to draw up a plan for the sale of property and submit it to the authorized body for approval.

The authorized body is obliged, within two working days, to consider the application of the interim manager and make a decision to approve or refuse to approve the sale plan with immediate notification of the interim manager thereof.

The interim manager is obliged to sell the property in accordance with the approved sale plan.

Footnote. Article 99 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 29.06.2020 No. 352-VI (effective ten calendar days after the date of its first official publication).

Article 99-1. Sale of a bankrupt enterprise

1. For the purposes of this article, a bankrupt enterprise is a property complex used for carrying out entrepreneurial activity and including all types of property such as buildings, facilities, equipment, inventory, raw materials, products, the right to a land plot, claims, debts and also the right to designations ascertaining its activity (brand name, trademarks) and other exclusive rights.

2. The sale of the enterprise shall be direct.

3. The sale of the enterprise shall be documented in the contract of purchase and sale of the enterprise, which the bankrupt manager concludes with the buyer.

4. The buyer shall pay for the enterprise, in accordance with the contract of purchase and sale of the enterprise, within thirty working days from the date of signing the contract.

Within three working days of payment, the bankruptcy manager is obliged to transfer the proceeds from the sale to the owner of the property or the founder (participant) less the amount of administrative expenses incurred under the bankruptcy procedure.

The bankruptcy manager's transfer of the enterprise and its acceptance by the buyer are carried out under the deed of transfer signed by the parties and executed in accordance with the legislation of the Republic of Kazakhstan.

5. After the creditors' claims are satisfied, the bankruptcy manager submits to the court the final report on his/her activity approved by a meeting of creditors.

6. For the sale of a bankrupt enterprise, the court shall approve the final report.

The decision to declare the debtor bankrupt and liquidate it along with the initiation of bankruptcy proceedings is subject to revocation by the court that issued the decision.

Footnote. Chapter 6 is supplemented by Article 99-1 in accordance with the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 100. Priority of distribution of property mass

1. Administrative expenses and court fees are covered out of turn using the bankrupt's property.

Administrative expenses associated with conducting the bankruptcy procedure include the basic remuneration of administrators, costs of paying for the services of hired specialists, remuneration of persons working under a labor contract, the obligation to pay which arose on the date of and within the period after the initiation of the bankruptcy case.

Administrative expenses also include taxes and other mandatory payments to the budget, calculated by the debtor in accordance with tax reports, assessed by the state revenue body based on the results of tax audits, for tax periods following the tax period in which the court judgment on declaring bankrupt and liquidating him/her/it with the initiation of the bankruptcy procedure came into legal force.

The money received in the bankrupt's property mass as a result of execution of a judicial act on bringing a founder (participant) and (or) an official to subsidiary liability shall be used to satisfy creditors' claims. It is not allowed to use this money for paying for administrative expenses.

Paragraph 2 is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

2. Claims for compensation for damage to life or health shall be satisfied first, as well as those for collecting alimony; for paying wages and compensation to persons who worked under a labor contract, with the payment of arrears in social contributions to the State Social Insurance Fund, mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions to mandatory social health insurance; payment of remuneration to authors for an employee invention, utility model, industrial design.

The first-priority claims are settled in the order of priority set forth in this paragraph.

In the event that the property is insufficient to pay off creditors' claims for compensation for damage to life or health, the property is distributed among creditors in proportion to the amounts of their claims entered in the register. The provisions of this part shall apply when paying off creditors' claims for the recovery of alimony, remuneration of and compensation for persons who worked under a labor contract, with the payment of arrears in social contributions to the State Social Insurance Fund, mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions for mandatory social health insurance, payment of remuneration to authors for an employee invention, utility model, industrial design.

3. Secondly, the requirements of the collateral creditors in the cases stipulated by paragraph 7 of Article 104-1 of this Law, the requirements arising as a result of receipt by the bankruptcy manager during the period of the bankruptcy procedure of the loan, as well as the requirements of the clearing company performing the functions of the central counterparty, which arose as a result of transactions previously concluded and not executed by the bankrupt, which is the clearing member of this clearing organization, involving the central counterparty.

4. On a third-priority basis, it is necessary to pay off tax arrears, as well as arrears in customs payments, special, anti-dumping, countervailing duties, and interest.

5. On a fourth-priority basis, it is necessary to make settlements with other creditors for civil and other obligations, and also satisfy creditors' claims arising:

- 1) in the case provided for by item three of paragraph 6 of Article 104-1 of this Law;
- 2) from copyright agreements not included in the first priority;
- 3) as a result of a court judgment on recognizing the transaction as invalid and returning the property into the bankrupt's property mass.

6. On a fifth-priority basis, it is necessary to satisfy claims of creditors for damages and collection of forfeits (fines, penalties), as well as remuneration and payment of compensation in accordance with paragraphs 5 and 6 of Article 102 of this Law.

Paragraph 7 is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

7. On a sixth-priority basis, it is necessary to satisfy claims of creditors stated after the deadline specified in part one of paragraph 3 of Article 90 of this Law, except for claims for compensation for damage to life or health; for collecting alimony; remuneration of and compensation to persons who worked under a labor contract, with the payment of arrears in social contributions to the State Social Insurance Fund, mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions to mandatory social health insurance; payment of remuneration to authors for an employee invention, utility model, industrial design.

Footnote. Article 100 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended 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).

Article 100-1. Procedure for the payment of administrative expenses

1. The bankruptcy manager, on a monthly basis, is obliged to submit a progress report to the creditors' committee, indicating the amounts of administrative expenses payable for a reporting month.

2. The creditors' committee shall consider the report specified in paragraph 1 of this article in terms of the validity of these expenses and take a decision on approving the amount of administrative expenses to be paid.

3. It is not allowed to pay for administrative expenses without the decision of the creditors' committees.

Footnote. Chapter 6 is supplemented with Article 100-1 in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 101. Rules for making settlements with creditors

1. The claims of each priority are satisfied after full satisfaction of previous priority claims, unless otherwise provided for by this article.

The creditor's claim, with his /her consent, may be satisfied in ways that are not inconsistent with the legislation of the Republic of Kazakhstan, including in cash and (or) transferring property in kind.

2. The bankruptcy manager is obliged to offer the property that was offered for sale, but remained unrealized, for transfer in kind, in compliance with the priority established by Article 100 of this Law.

Part two of paragraph 2 is meant to be amended by Law № 342-V of the Republic of Kazakhstan as of 02.08.2015 (shall be enforced from 01.01.2024).

The creditor, except for the creditor for taxes and customs payments, for social contributions to the State Social Insurance Fund and mandatory pension contributions, mandatory professional pension contributions, deductions and (or) contributions to mandatory social health insurance, shall express his/her written consent (disagreement with) to the acceptance of property in kind against the settlement of the claim, within ten working days of its proposal by the bankruptcy manager. The creditor's failure to submit a written consent within the specified period shall be deemed to be a refusal to accept the property in kind.

If the creditor cannot accept the property in kind or refuses to accept it, the bankruptcy manager is obliged to offer such property for transfer to the creditors of the next priority.

3. By decision of the creditors' committee, within ten working days of its adoption, the bankruptcy manager is obliged to declare the offset of claims to the creditor if the offset of claims does not violate the sequence of priorities of satisfaction of creditors' claims, is direct, mutual, not involving other persons. The offset is allowed only for claims for the payment of money.

4. Claims of the first-priority creditors stated after expiration of the time frame specified in part one of paragraph 3 of Article 90 of this Law, but before the end of settlements with all creditors, are entered in the first priority of the register of creditors' claims and are subject to satisfaction at the expense of the property mass. The discharge of creditors' claims shall be suspended until such claims are entered in the register.

The claims of the first-priority creditors stated after the end of settlements with all creditors, but before the approval of the liquidation balance sheet, are satisfied at the expense of the bankrupt's property remaining after the satisfaction of creditors' claims.

5. Creditors' claims arising as a result of receiving a loan by the bankruptcy manager during the bankruptcy procedure shall be discharged after full satisfaction of claims of the second-priority creditors, indebtedness to whom was incurred before the initiation of the bankruptcy procedure.

6. Creditors' claims not satisfied due to insufficiency of the bankrupt's property shall be deemed discharged.

The creditor shall write off the indicated amounts from the accounts receivable on the basis of a court ruling on the completion of the bankruptcy procedure.

The provisions of this paragraph do not apply to:

- 1) claims secured by a guarantee, surety or pledge of third parties;
- 2) the cases specified in paragraph 2 of Article 109 of this Law.

Footnote. Article 101 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 102. Sum and procedure for satisfying requirements of the creditors of the first priority

1. Determination of a sum of requirements of citizens before whom the debtor shall bear responsibility for infliction of harm to life and health shall be carried out by capitalization of the relevant payments due over time (in amount for a date of declaring the debtor as bankrupt) subjected to payment to the citizen until reaching seventy years by him (her), but no less than for ten years. In case if age of a citizen exceeds seventy years, the period of capitalization of the relevant payments due over time is ten years.

2. Payment of a sum determined in accordance with the manner provided by paragraph 1 of this Article terminates the relevant obligation of a bankrupt.

3. Requirements of the creditors of the first priority on compensation of harm for infliction of harm to life and health being left unsatisfied due to deficiency of a property of a bankrupt, shall be compensated in the manner established by the civil legislation of the Republic of Kazakhstan.

4. When determining the amount of claims of creditors for wages and payment of compensations, it is necessary to take into account indebtedness incurred as at the date of initiation of a bankruptcy proceeding as part of the first priority, except for the cases specified in paragraphs 5 and 6 of this article.

5. Requirements of the creditors on payment for labour and payment of compensations, labour relations with whom are occurred within the period of time beginning from one year till initiation of the proceeding with regard to bankruptcy case, shall be considered as a part of the first priority at the rate of no more than average monthly salary existed at the debtor for twelve calendar months preceding one year before initiation of the proceeding with regard to bankruptcy case. Remained sums of requirements shall be considered as a part of the fifth priority.

6. Sums of increasing requirements of the creditors on payment for labour and payment of compensations formed in a result of increasing salary of the employee in the period calculated beginning from one year till initiation of the proceeding with regard to bankruptcy case shall be considered in the register of requirements of the creditors as a part of the fifth priority.

Footnote. Article 102 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 103. Sum and procedure for satisfying requirements of the creditors of the second priority

1. When determining the amount of the claim of the pledging creditor, the debt on the obligation in the part secured by the pledge is taken into account.

2. The requirements of the pledging creditor shall be satisfied within the amount of the proceeds from the sale of the subject of the pledge. The number of requirements exceeding the amount received from the sale of the subject of the pledge shall be subject to inclusion in the fourth stage.

2-1. If the pledged property is the subject of collateral for obligations under the syndicated loan agreement, the money from the sale of the pledged item shall be distributed among the creditors engaged in lending under syndicated financing in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, in proportion to the amount of their claims secured by collateral, unless otherwise provided by the agreement between them.

3. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

4. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Footnote. Article 103 as amended by the Law of the Republic of Kazakhstan dated 22.04.2015 No. 308-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 No. 399-VI (effective 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 104. Satisfaction of requirements of pledge creditors

Footnote. Article 104 is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 104-1. Satisfaction of claims of secured creditors by accepting the pledged property in kind

1. The interim manager, no later than ten working days from the date of the court ruling on initiating a bankruptcy case, shall send an information message to the authorized body on the acceptance of price proposals for assessing the pledged property for placement on the authorized body's Internet resource.

The authorized body, within two working days from the date of receipt of the information message, is obliged to place it on its Internet resource.

The bankruptcy manager, within twenty working days from the date of his appointment, shall ensure that the pledged property is assessed by an appraiser selected by the first meeting of creditors.

2. The bankruptcy manager, within two working days from the date of receipt of the pledged property assessment results, shall send them to the collateral creditor by registered mail with a proposal on accepting the pledged property in kind, indicating the amounts to be repaid by the collateral creditor as prescribed by paragraph 4 of this article.

2-1. The agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall notify the creditors' syndicate participants of the proposal of the bankruptcy manager on accepting the pledged property in kind.

3. The collateral creditor and (or) the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall, no later than ten working days from the date of receipt of the proposal specified in paragraph 2 of this article, give consent in writing to acceptance of the pledged property in kind or their refusal.

To the agreement of the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, the decision of the creditors' syndicate shall be attached, whose financing share under the syndicated loan agreement constitutes in aggregate at least two-thirds of the total financing.

4. The secured creditor, in case of consent to accept the pledged property in kind, within one month of sending a written notification to the bankruptcy manager about the acceptance of the pledged property in kind, prior to its acceptance, is obliged to cover administrative expenses associated with the appraisal and maintenance of the pledged property, as well as the claims of creditors for wages, included in the first priority of the register of creditors' claims, provided that the debtor has no other property to discharge these claims.

Creditors' claims for wages are satisfied within the minimum wage established for a corresponding financial year by the law on the republican budget for a period not exceeding three months, but not over fifteen percent of the appraised value of the pledged property.

In the event that the consent to the acceptance of the pledged property in kind is expressed by the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, administrative costs associated with the appraisal and maintenance of the pledged property, and also, the creditors' claims on labor payments included in the first line of the register of creditors' claims shall be repaid within the period provided for by part one of the first paragraph, by the creditors' syndicate participants in

proportion to the size of their claims secured by the pledge in accordance with the syndicated loan agreement, before accepting such property in kind.

5. The bankruptcy manager, within five working days of repayment of administrative expenses, as well as the claims of creditors specified in paragraph 4 of this article, transfers the pledged property to the secured creditor to satisfy his/her claims.

If the pledged property is the subject of collateral for obligations under the syndicated loan agreement, such property shall be transferred to the creditors' syndicate participants in shared ownership in proportion to the size of their claims secured by the pledge, in accordance with the syndicated loan agreement.

6. If the appraised value of the pledged property less discharged claims of the creditors, specified in part two of paragraph 4 of this article, is:

if the appraised value of the pledged property is more than the size of the collateral creditor's claims - the difference shall be transferred by the collateral creditor and (or) the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, into the property mass of the bankrupt within one month from the day of transfer to him of the pledged property;

less than the amount of claims of the secured creditor - the claims of the secured creditor in the amount of the difference are entered in the register of creditors' claims and are subject to satisfaction as part of the fourth priority.

7. The claims of the secured creditor are satisfied in the manner prescribed by Article 103 of this Law in such cases as:

1) refusal of the collateral creditor and (or) the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, to accept the pledged property in kind;

2) failure by the collateral creditor and (or) the agent bank acting on behalf of and in the interests of the participants of the syndicate of creditors in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, to respond to the proposal of the bankruptcy manager within the term established by paragraph 3 of this article;

3) a failure to pay in full the administrative expenses and creditors' claims, specified in paragraph 4 of this article.

8. The collateral creditor and (or) the agent bank acting on behalf of and in the interests of the creditors' syndicate participants in accordance with the legislation of the Republic of Kazakhstan on project financing and securitization, shall transfer to the bankruptcy manager the title documents for the pledged property of the bankrupt within three working days from date of occurrence of the cases provided for in paragraph 7 of this article.

9. The procedure established by this article does not apply to creditors whose claims arose as a result of receiving a loan by a bankruptcy manager in the course of the bankruptcy procedure.

Footnote. The Law is supplemented by Article 104-1 in accordance with the Law of the Republic of Kazakhstan dated 02.04.2019 № 241-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 No. 399-VI (effective ten calendar days after the date of its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 105. The amount of claims of third-priority creditors and procedure for their satisfaction

When determining the amounts of third-priority claims, it is necessary to take into account tax arrears, as well as arrears in customs payments, special, anti-dumping, countervailing duties, interest formed as at the date of initiation of a bankruptcy proceeding.

In the event that the property is insufficient to meet the claims of third-priority creditors, such property is distributed among them in proportion to the amounts of their claims entered in the register.

Footnote. Article 105 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 106. Sum and procedure for satisfying requirements of the creditors of the fourth priority

1. When determining the amounts of fourth-priority claims, it is necessary to take into account creditors' claims for civil and other obligations, as well as creditors' claims arising from:

- 1) in the case specified in item three of paragraph 6 of Article 104-1 of this Law;
- 2) from copyright agreements not included in the first priority.

2. Upon deficiency of a property, it shall be distributed between the creditors of the fourth priority proportionally to sums of their requirements subjected to satisfaction.

Footnote. Article 106 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 107. Sum and procedure for satisfying requirements of the creditors of the fifth priority

Upon deficiency of a property, the requirements of the creditors on compensation of losses and recovery of penalties (fines, late fees), as well as requirements of the creditors mentioned in paragraphs 5 and 6 of Article 102 of this Law shall be subject to satisfaction proportionally to the sums of their requirements included into the register.

Article 107-1. The amount of claims of sixth-priority creditors and procedure for their satisfaction

If the property is insufficient, the creditors' claims, specified in paragraph 7 of Article 100 of this Law, shall be satisfied in proportion to the amounts of their claims entered in the register.

Footnote. Chapter 6 is supplemented with Article 107-1 in accordance with Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 108. Property remaining after satisfaction of creditors' claims

1. The bankruptcy manager transfers the money remaining after the satisfaction of creditors' claims to an individual entrepreneur, the owner of the property (the body authorized by him/her), the founders (participants in) of the legal entity – the bankrupt in accordance with the legislation of the Republic of Kazakhstan or the constituent documents of the bankrupt.

2. The bankrupt's property remaining after the satisfaction of the creditors' claims, which was offered for sale, but remained unrealized, and also not accepted by the creditor to satisfy the claim or by the administrator to reimburse administrative expenses, is transferred to the individual entrepreneur, the owner of the property (the body authorized by him/her), founders (participants in) of the legal entity – the bankrupt, except for cases provided for by the civil legislation of the Republic of Kazakhstan.

Footnote. Article 108 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 109. Termination of obligations of a bankrupt and performance of his obligations by third parties

Footnote. The heading of article 109 - as amended by the Law of the Republic of Kazakhstan dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

1. After completion of settlements with creditors, the obligations of a bankrupt legal entity shall be terminated, unless otherwise provided by the Civil Code of the Republic of Kazakhstan.

After completion of settlements with creditors, the obligations of an individual entrepreneur who is bankrupt, as well as the claims of his creditors for obligations unrelated to entrepreneurial activity, submitted in the manner prescribed by this Law, shall be terminated. Claims of the said creditors not raised by them in this manner, and also claims that have not been fully satisfied from the estate shall remain in force and may be brought for collection after completion of bankruptcy proceedings against the debtor as an individual. The amount of these claims is reduced by the amount of satisfaction received in the bankruptcy process of the debtor.

2. The bankrupt's obligations to creditors, which remained unfulfilled as a result of the bankruptcy procedure, shall be fulfilled by the person, in respect of whom a court judgment has come into legal force on the collection of the amounts of such creditors' claims in a subsidiary manner in the amount determined in accordance with paragraph 3 of Article 96 of this Law.

Footnote. Article 109 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication); dated 30.12.2022 No. 179-VII (shall be enforced sixty calendar days after the date of its first official publication).

Article 110. Final report of the bankruptcy manager

1. After the satisfaction of creditors' claims, the bankruptcy manager shall submit a final report on his/her activities to the court, which was approved by the creditors' meeting, together with the liquidation balance sheet and report on the use of the property remaining after the satisfaction of creditors' claims.

In the event of the sale of the bankrupt's enterprise, the liquidation balance sheet is not attached.

2. A creditor for taxes and customs payments, or a state body or a legal entity partially owned by the state, pursuant to whose application the bankruptcy case was initiated, when the final report of the bankruptcy manager is considered in court, shall file a petition for paying the basic remuneration to the interim and bankruptcy manager, as well as compensation for other administrative expenses by decision of the creditors' committee in the event that the following circumstances were established in the course of the bankruptcy procedure:

- 1) the debtor has no property;
- 2) the debtor has no any transactions that were subject to invalidation;
- 3) there is no property that can be foreclosed on in accordance with the legislation of the Republic of Kazakhstan on enforcement proceedings and the status of law enforcement agents, the founder (participant), the official of the debtor, in whose respect a court judgment on bringing him/her to subsidiary liability has entered into legal force, have no grounds for filing a lawsuit in court seeking to bring these persons to subsidiary liability.

3. The court approves the final report of the bankruptcy manager, the liquidation balance sheet, unless otherwise provided for by part two of paragraph 1 of this article, and issues a ruling on the completion of the bankruptcy procedure, within ten working days of their submission.

The ruling on the completion of the bankruptcy procedure shall resolve issues related to the bankrupt's property that remained unrealized. A copy of the ruling is sent by the court to the body that carries out state registration of legal entities, the authorized body, the territorial body of the authorized body for state statistics, as well as the bankrupt's creditors with unsatisfied claims. This part does not apply to the cases of sale of the bankrupt's enterprise.

The court ruling on the completion of the bankruptcy procedure shall also contain the indication of payment of the amounts, specified in the petition provided for by paragraph 2 of this article.

The procedure for paying the basic remuneration to an interim and bankruptcy manager, as well as the procedure for and amount of compensation for other administrative expenses, are determined by the authorized body.

4. If creditor's claims secured by a guarantee, surety or pledge of property of third parties were not satisfied as a result of the bankruptcy procedure of the debtor, such a creditor, on the basis of a final and binding court ruling on the completion of the bankruptcy procedure, has the right to file a lawsuit seeking the collection of amounts from guarantors, sureties or pledgers - third parties, in the manner prescribed by the civil legislation of the Republic of Kazakhstan.

Footnote. Article 110 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 111. Placement of the list of debtors on the website of the authorized body

1. The authorized body shall post on its website:

1) a list of debtors in respect of whom a court judgment on declaring them bankrupt, applying the rehabilitation procedure, their liquidation without initiating the bankruptcy procedure has come into legal force;

2) a list of individual entrepreneurs and legal entities in respect of which a court ruling on termination of the rehabilitation procedure has come into legal force.

A debtor is removed from the list in cases of cancellation of the judgment on declaring the debtor bankrupt, applying the rehabilitation procedure or liquidating without initiating the bankruptcy procedure, concluding an amicable agreement or selling the enterprise.

The list contains the surname, name, patronymic (if it is indicated in the identity document) or the name of the debtor, type of economic activity, details of the debtor, surname, name, patronymic (if it is indicated in the identity document) of the head and founders (participants), the date of the court judgment on declaring the debtor bankrupt, applying the rehabilitation procedure or liquidating without initiating the bankruptcy proceedings, the court ruling on the completion of the bankruptcy procedure, terminating the rehabilitation procedure or completing the liquidation without initiating the bankruptcy procedure, as well as the surname, name, patronymic (if it is indicated in the document identity), email address and contact phone number of the administrator.

2. The list of debtors, specified in subparagraph 1) of part one of paragraph 1 of this article, shall be updated on a quarterly basis, on or before the 20th day of the month following the past quarter, by including debtors, in whose respect a court judgment on applying the rehabilitation procedure or bankruptcy procedure or liquidating without initiating the bankruptcy procedure came into force in the past quarter, and also removing debtors, in

whose respect a court ruling on the approval of the final report or termination of the rehabilitation procedure has come into legal force.

The list, specified in subparagraph 2) of part one of paragraph 1 of this article, shall be updated by removing from it individual entrepreneurs and legal entities, in whose respect two years have passed since the date of entry into legal force of the court ruling on termination of the rehabilitation procedure.

Footnote. Article 111 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112. Completion of liquidation of a bankrupt

1. The liquidation of a bankrupt is considered completed, and the bankrupt - liquidated after making a relevant entry in the state registers of legal entities or deregistration of an individual as an individual entrepreneur, except for the cases provided for by this Law.

The completion of the bankrupt's liquidation terminates the powers of the bankruptcy manager.

2. Orders on exclusion of a bankrupt from the register of legal entities by bodies carrying out state registration of legal entities shall be directed to the court and authorized body, as well as body of state revenues at the location of the bankrupt.

3. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

4. The sale of a bankrupt enterprise is a ground for the revocation of the court decision to declare the debtor bankrupt and liquidate it along with the initiation of bankruptcy proceedings by the court that made the decision.

After the decision's revocation, a legal entity or an individual entrepreneur continues to carry out his/her/its activity.

Footnote. Article 112 as amended by the Law of the Republic of Kazakhstan dated 07.11.2014 No. 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication); dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 6-1. Settlement agreement

Footnote. The Law is supplemented by Chapter 6-1 in accordance with the Law of the Republic of Kazakhstan dated 13.11.2015 № 399-V (shall be enforced upon expiry of ten calendar days after the day its first official publication).

Article 112-1. Conditions for the conclusion of a settlement agreement

1. A debtor and creditors are entitled to conclude a settlement agreement at any stage of bankruptcy proceedings.

2. On the part of creditors, a decision to conclude the settlement agreement is made by a meeting of creditors.

The decision to conclude an amicable agreement on the part of the bankrupt is made by an individual entrepreneur, owner of the property (a body authorized by him/her), founder (participant in) of a legal entity – a bankrupt and the bankruptcy manager.

Third parties are allowed to be parties to the settlement agreement provided that they assume the rights and obligations thereof.

3. The settlement agreement shall be affirmed by court.

Affirming the settlement agreement, the court issues a ruling on the affirmance of the settlement agreement, which states that bankruptcy proceedings are terminated and the decision to declare the debtor bankrupt and initiate bankruptcy proceedings is not enforceable.

4. The settlement agreement takes effect on the date of entry into force of the court ruling on its affirmance and shall be binding on the debtor, creditors and third parties thereto.

5. Unilateral refusal to enforce the settlement agreement is prohibited.

Footnote. Article 112 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112-2. Content of a settlement agreement

1. A settlement agreement may be concluded on the terms of:

1) deferment and (or) extension of the term of the bankrupt's obligations;

2) assignment of claims of a bankrupt;

3) fulfillment of bankrupt's obligations by third parties;

4) transfer of a debt;

5) exchange of creditors' claims for the bankrupt's shares, participatory interests in the authorized capital, with account of restrictions provided for by the legislation of the Republic of Kazakhstan;

6) satisfaction of creditors' claims in other ways not contrary to the legislation of the Republic of Kazakhstan.

2. The settlement agreement shall contain information on the amount, procedure and deadlines for the fulfillment of obligations of a bankrupt and (or) termination of his/her/its obligations.

3. On the part of the bankrupt, an amicable agreement is signed by an individual entrepreneur - bankrupt, owner of the property (a person authorized by him/her), founder (participant in) of a legal entity – a bankrupt and the bankruptcy manager. On behalf of creditors, the amicable agreement is signed by the chairman of the creditors' meeting.

4. If there are third parties to the settlement agreement, on their part, it is signed by these persons or their authorized representatives.

5. The settlement agreement must contain provisions on the procedure and deadlines for the fulfillment of the debtor's obligations to creditors.

6. The terms of the settlement agreement for creditors who voted against its conclusion or did not take part in voting shall not be worse than for creditors who voted for its conclusion.

Footnote. Article 112-2 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112-3. Conditions for concluding a settlement agreement on the part of a state body

1. If, at the conclusion of a settlement agreement, one of the creditors shall be the state agency, a settlement may be concluded on an installment plan for repayment of debt to such the state agency for a period not exceeding three years from the date of approval of the settlement agreement.

The tax debt is paid off provided that the requirements of part one of this article for the security of the property of the bankrupt and (or) a third party and (or) a bank guarantee are met.

2. Property to be pledged shall be liquid, insured against loss or damage, and its market value shall not be less than the amount of tax debt. It is not allowed to pledge:

- 1) life support facilities;
- 2) electric, thermal and other types of energy;
- 3) arrested property;
- 4) property under restrictions imposed by state bodies;
- 5) property encumbered with the rights of third parties;
- 6) perishable raw materials, food products.

Footnote. Article 112-3 as amended by the Law of the Republic of Kazakhstan dated 24.05.2018 № 156-VI (shall be enforced upon expiry of ten calendar days after its first official publication); № 290-VI as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112-4. Affirmance of a settlement agreement by court

1. A settlement agreement can be affirmed by court only after the repayment of indebtedness for preferred creditors' claims.

2. Within five working days from the date of making a decision to conclude the settlement agreement by a meeting of creditors, the bankruptcy manager shall petition the court for the affirmance of the settlement agreement.

3. The petition for affirming the settlement agreement shall be filed along with:

- 1) the settlement agreement signed by persons specified in paragraphs 3 and 4 of article 112-2 of this Law;

- 2) the minutes of a meeting of creditors that decided to conclude the settlement agreement ;
- 3) a list of creditors indicating the place of their residence or location, as well as amounts of arrears;
- 4) documents confirming the repayment of indebtedness for preferred creditors' claims;
- 5) written objections of creditors who voted against the conclusion of the settlement agreement.

4. If persons, who concluded the settlement agreement and were duly notified of the time and place of a court session, failed to appear in court, the latter shall not consider the affirmance of the settlement agreement, unless the court received these persons' application to consider this subject matter in their absence.

5. The court ruling to affirm the settlement agreement may be appealed (challenged) in accordance with the procedure established by the civil procedure legislation of the Republic of Kazakhstan.

6. The revocation of the court ruling to affirm the settlement agreement is a ground for initiating bankruptcy proceedings.

Article 112-5. Consequences of the affirmance of a settlement agreement

1. The affirmance of a settlement agreement is a ground to terminate bankruptcy proceedings.

The decision to declare the debtor bankrupt and liquidate it along with the initiation of bankruptcy proceedings is no longer enforceable.

2. The powers of a bankruptcy manager are terminated from the date of entry into legal force of the court ruling to affirm the settlement agreement.

3. From the date of entry into legal force of the court ruling on the affirmance of the settlement agreement:

- 1) the debtor and (or) third parties get down to the repayment of indebtedness to creditors in accordance with the terms of the settlement agreement;
- 2) the effect of consequences applied to the debtor in accordance with article 87 of this Law is terminated.

Article 112-6. Refusal to affirm a settlement agreement and its consequences

A ground for a court to refuse to affirm a settlement agreement is:

- 1) a failure to repay indebtedness for the preferred creditors' claims by the debtor and/or third parties;
- 2) violation of the procedure for concluding the settlement agreement established by this Law;

3) violation of the rights and legitimate interests of participants of bankruptcy proceedings and (or) third parties;

4) that the settlement agreement is contrary to the legislation of the Republic of Kazakhstan.

2. The ruling to refuse to affirm the settlement agreement issued by court may be appealed (challenged) in accordance with the procedure established by the civil procedure legislation of the Republic of Kazakhstan.

3. If the court issues a ruling to refuse to affirm the settlement agreement, the settlement agreement is deemed not concluded.

4. Issuance of the ruling to refuse to affirm the settlement agreement by court shall not be an obstacle to concluding a new settlement agreement.

Article 112-7. Termination of a settlement agreement and its consequences

1. Individual creditors and a debtor are not allowed to terminate a settlement agreement affirmed by court.

2. The settlement agreement may be terminated by a court decision in respect of all creditors upon the application of a creditor (creditors) possessing, as of the date of filing the application, at least twenty five percent of the claims from the total amount of claims included in the register of creditors' claims, and also in case of the failure of the debtor and (or) third parties to fulfill the terms of the settlement agreement in respect of such creditors.

A copy of the agreement on the exercise of the powers of an interim manager, concluded between such a creditor (creditors) and a person entitled to carry out the activities of an administrator, is attached to the application of the creditor (creditors), specified in part one of this paragraph.

3. The application for terminating the settlement agreement shall be considered by the court that affirmed it.

4. The case on the application for terminating a settlement agreement is considered by court under the general rules provided for by the civil procedure legislation of the Republic of Kazakhstan.

Footnote. Article 112-7 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112-8. Initiation of bankruptcy proceedings after the cancellation of a court ruling on the affirmance of a settlement agreement or the termination of a settlement agreement

1. Bankruptcy proceedings terminated following a court ruling on the affirmance of a settlement agreement shall be initiated in cases of:

- 1) revocation of the court ruling on the affirmance of the settlement agreement;
- 2) the court decision to terminate the settlement agreement.

2. The court that issued the judgment to cancel the court ruling approving the amicable agreement or terminating the amicable agreement is obliged to indicate the initiation of the bankruptcy procedure in a judicial act.

3. Bankruptcy proceedings are carried out in accordance with the procedure established by chapter 6 of this Law.

4. The interim manager is obliged to hold the first creditors' meeting within twenty working days of issuance of the judicial act on initiation of the bankruptcy procedure.

Footnote. Article 112-8 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 112-9. Consequences of the revocation of a court ruling on the affirmance of a settlement agreement or the termination of a settlement agreement

The revocation of a court ruling on the affirmance or termination of a settlement agreement shall not oblige preferred creditors to return what they received as repayment of indebtedness to the bankrupt.

2. Claims of creditors with whom settlements were made under the terms of a settlement agreement are deemed to be repaid.

3. In the event of revocation of the court ruling on the affirmance or termination of a settlement agreement and initiation of bankruptcy proceedings, the amount of claims of creditors in respect of whom the settlement agreement was concluded shall be determined with account of the terms established by the settlement agreement.

Chapter 7. FEATURES OF LIQUIDATION OF A DEBTOR WITHOUT INITIATING THE BANKRUPTCY PROCEDURE

Footnote. Chapter 7 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 113. Liquidation of a debtor without initiating the bankruptcy procedure

Liquidation of the debtor without initiating the bankruptcy procedure is carried out in cases where:

- 1) the debtor is absent;
- 2) in relation to the debtor, there is a set of circumstances provided for by paragraph 3 of Article 114 of this Law.

Article 114. Grounds for filing an application with court for liquidating a debtor without initiating the bankruptcy procedure

1. An application for liquidating the debtor without initiating the bankruptcy procedure can be filed by:

1) a creditor for taxes and customs payments - in the case specified in subparagraph 1) of Article 113 of this Law;

2) the debtor - in the event that in relation to him/her there is a set of circumstances provided for by paragraph 3 of this article.

2. A ground for the creditor for taxes and customs payments to file an application for liquidating the debtor without initiating the bankruptcy procedure with court is a set of circumstances such as:

1) the location of the debtor, as well as its founders (participants) and officials, cannot be established within six consecutive months, which is documented in the form and in the manner determined by the authorized body;

2) within three years prior to filing the application, the debtor owned no property, and also accounts receivable;

3) within three years prior to filing the application, the debtor made no transactions that, if made, could have been recognized as invalid on the grounds provided for by this Law and other laws of the Republic of Kazakhstan.

3. A ground for the debtor to file an application with court for its liquidation without initiating the bankruptcy procedure is a set of circumstance such as:

1) the debtor owes creditors the amount not exceeding two thousand five hundred times the monthly calculation index established for the relevant financial year by the law on the republican budget;

2) within three years prior to filing the application, the debtor owned no property, and also accounts receivable;

3) within three years prior to filing the application, the debtor made no transactions that, if made, could have been recognized as invalid on the grounds provided for by this Law and other laws of the Republic of Kazakhstan;

4) within three years prior to filing the application, the debtor made no payments and (or) money transfers through bank accounts and cash desk;

5) within three years prior to filing the application, the debtor was not in the lists of tax and customs inspections and other forms of control established by the tax and customs legislation of the Republic of Kazakhstan;

6) as at the date of filing the application, the criminal prosecution authorities are not conducting a pre-trial investigation against the founder (participant in) of a legal entity or its official, as well as an individual entrepreneur, for committing a criminal offense related to the activities of the debtor.

Article 115. Documents attached to an application for liquidation of a debtor without initiating the bankruptcy procedure

1. The application of the creditor for taxes and customs payments for liquidating the debtor without initiating the bankruptcy procedure shall be submitted together with documents confirming:

1) the debtor's obligations to the creditor for taxes and customs payments, as well as the presence and amount of arrears in these obligations;

2) the debtor's absence.

2. Documents confirming the existence of the circumstances, specified in paragraph 3 of Article 114 of this Law, as well as the decision of an individual entrepreneur - a debtor, owner of property (a body authorized by him/her) or founders (participants in) of a legal entity - a debtor on the debtor's filing an application with court for liquidation without initiating the bankruptcy procedure shall be attached to the debtor's application for its liquidation without initiating the bankruptcy procedure.

Article 116. Initiation of a proceeding on liquidation of a debtor without initiating the bankruptcy procedure

The court, within five working days of receipt of the application for the debtor's liquidation without initiating the bankruptcy procedure that meets the requirements established by this Law, issues a ruling on the initiation of a case.

Copies of the court ruling on initiating the case are sent by the court to the debtor, the applicant, the authorized body, the regional chamber of private enforcement agents, as well as to the territorial justice agency at the location of the debtor if the debtor is a legal entity.

Article 117. Consequence of initiating a proceeding on the liquidation of a debtor without initiating the bankruptcy procedure

The consequences specified in subparagraphs 2), 3) and 5) of paragraph 1 of Article 87 of this Law occur from the moment the court initiates a case on the debtor's liquidation without initiating the bankruptcy procedure,.

Article 118. Consideration of a case on the liquidation of a debtor without initiating the bankruptcy procedure by court

1. The court, within five working days of issuance of a ruling on the initiation of a case, shall make a judgment on the debtor's liquidation without initiating the bankruptcy procedure

2. A court judgment on the debtor's liquidation without initiating the bankruptcy procedure shall contain an indication of entrusting the liquidation procedure to the authorized body.

Article 118-1. Procedure for the authorized body to liquidate a debtor without initiating the bankruptcy procedure

1. When imposing the obligation to carry out the liquidation procedure of the debtor without initiating the bankruptcy procedure, the rights and obligations of the administrator provided for by this Law shall be transferred to the authorized body.

2. The authorized body is obliged to:

1) place an announcement of liquidation of the debtor without initiating the bankruptcy procedure and the procedure for filing claims by creditors in Kazakh and Russian on the website of the authorized body, within two working days of the court judgment to liquidate the debtor without initiating the bankruptcy procedure;

2) form a register of creditors' claims in the manner prescribed by Article 90 of this Law;

3) submit the final report and the liquidation balance sheet to the court for approval, within two working days of their approval by the creditors' meeting;

4) send an application for closing the bankrupt's bank accounts to a bank, an organization that carries out certain types of banking operations, within three working days of the court's approval of the final report.

3. If the debtor has no property, the authorized body, within a month of the formation of the register of creditors' claims, is obliged to submit the final report and the liquidation balance sheet to the creditors' meeting for approval.

4. If, during the liquidation of the debtor, the property mass and (or) the return of previously withdrawn property into the property mass are (is) discovered, as well as the failure to comply with the provisions of paragraph 3 of Article 114 of this Law, the authorized body shall file a petition for initiating the bankruptcy procedure with the court that issued the judgment to liquidate the debtor without initiating the bankruptcy procedure.

Chapter 8. SPECIAL ASPECTS OF A BANKRUPTCY OF CITY-FORMING LEGAL ENTITIES

Article 119. Bankruptcy of city-forming debtors-legal entities

1. Debtor-legal entity that is city-forming may be declared as bankrupt in cases and in the manner established by this Law considering the special aspects established by this chapter.

2. Appropriation of legal entities to city-forming and maintenance of their list shall be made in the manner established by the authorized body on a regional development.

Footnote. Article 119 as amended 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 the date of its first official publication).

Article 120. Consideration of bankruptcy case

1. Upon consideration of bankruptcy case of a city-forming legal entity by the person participating in the case, the relevant administrative-territorial entity represented by the

representative authorized by the akim shall be recognized. After initiation of bankruptcy case of a city-forming legal entity, the court shall be obliged to notify a representative of the akim and authorized body about this.

2. Application of the debtor on declaring it as bankrupt, as well as answer of the debtor to application of other persons on declaring it as bankrupt shall be accompanied by the documents certifying on appropriation of the debtor to city-forming legal entities.

3. Upon preparation to consideration of bankruptcy case of the debtor of a city-forming legal entity, the judge shall request abbreviate from the list of city-forming legal entities.

Article 121. Discharge of requirements of the creditors

1. Republic of Kazakhstan, administrative territorial entity at any time before issuance of the relevant decision by the court shall have the right to carry out simultaneous discharge of requirements of all the creditors secured by a pledge, and the creditors on civil obligations of the debtor-city forming legal entity.

2. In case of discharging requirements of the creditors in the manner provided by paragraph 1 of this Article, the proceeding on bankruptcy case shall be subject to termination.

3. Discharge of requirements of the creditors of the debtor-city forming legal entity by the Republic of Kazakhstan, administrative-territorial entity may not be accompanied with seizure or acquisition of a property of the debtor by them by other methods.

Chapter 9. SPECIAL ASPECTS OF REHABILITATION AND

BANKRUPTCY OF AGROCULTURAL PRODUCERS Article 122. Bankruptcy of agricultural producers

1. Debtor that is the agricultural producer shall be declared as bankrupt considering the special aspects established by this chapter.

2. Upon establishment of insolvency of agricultural producers, the obligations the term of fulfilling of which matured no sooner than the previous year shall be considered. By this, the year preceding initiation of the bankruptcy proceeding within which emergency situations of natural and technogenic character or especial unfavorable natural and climatic conditions are occurred that are the cause of non-fulfillment of the obligations in due time shall not be offset

Article 123. Documents accompanied additionally to application of the creditor or answer of the debtor

Besides the documents provided by this Law, the application of the creditor or answer of the debtor shall be accompanied additionally by:

- 1) cadastral description of lands;

2) data on emergency situations of natural and technogenic character or on natural and climatic conditions for the year preceding initiation of the bankruptcy proceeding when available.

In case of acknowledgement of own insolvency by the debtor in the answer to application of the creditor, body of state revenues and other authorized state body or the prosecutor, the representation of additional documents shall be optional.

In case of declaring the debtor as bankrupt or applying rehabilitation procedures to it, the expenses linked with receipt of additional documents shall relate to administrative costs.

Footnote. Article 123 as amended by the Law of the Republic of Kazakhstan dated 07.11.2014 No. 248-V (shall be enforced upon expiry of ten calendar days after the date of its first official publication).

Article 124. Prolongation of the term of rehabilitation procedure

In case if reaching the purposes of rehabilitation procedure is impossible due to emergency situations of natural and technogenic character or especial unfavorable natural and climatic conditions, the court shall have the right to prolong the term of conducting rehabilitation procedure no more than for one year.

Article 125. Bankruptcy proceeding

1. Is excluded by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

2. Bankruptcy manager with the agreement of the creditors' commission shall carry out measures on supporting the costs of a property mass of a bankrupt that shall include:

1) measures on protection of lands in accordance with the land legislation of the Republic of Kazakhstan;

2) sowing and harvesting works, reproduction and growth of animals, birds, bees, processing of plant products, animal products, poultry breeding, beekeeping;

3) measures linked with supporting a property of the debtor in a proper condition for selling.

Expenses on supporting the costs of a property mass shall relate to administrative costs.

Footnote. Article 125 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Article 126. Formation and sale of a property mass

1. Bankruptcy manager shall be obliged to ensure proper registration of the right of land use of a bankrupt, by this the incurred expenses shall relate to administrative costs.

2. Sale of a property of a bankrupt shall be made in accordance with Article 99 of this Law. By this the sales plan of a property of a bankrupt shall include additional condition on a

primary set of a property mass as single lot in trading in the form of auction with compulsory preservation of main type of activity.

3. In case if the auction was not done or no one of its participants acquired a single lot, sale of a property shall be carried out in separate lots, by this the inclusion of the property included to the single production complex shall not be allowed to the separate lots.

In case if auction was not done by a lot to which the single production complex is included or no one of its participants acquired a single lot, its following selling shall be carried out in separate lots.

4. The bankruptcy manager, within five working days of the conclusion of the sale and purchase agreement, is obliged to send information on the results of auctions for the sale of property in a single lot, as well as property included in a single production complex, to local executive bodies.

5. In the absence of a buyer of a property mass in separate lots, the creditors shall have the right to receive satisfaction of own requirements on account of a property of a bankrupt in kind proportionally to the sum of their requirements in accordance with order of priority of distributing the property mass established by Article 100 of this Law.

6. The time and place of the auction for the sale of the property mass shall be determined by the bankruptcy manager with the consent of the creditors' committee.

Footnote. Article 126 is as amended by Law № 290-VI of the Republic of Kazakhstan as of 27.12.2019 (shall be enforced ten calendar days after its first official publication).

Chapter 10. FINAL PROVISIONS Article 127. Responsibility for breach of the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy

Breach of the legislation of the Republic of Kazakhstan on rehabilitation and bankruptcy shall entail responsibility established by the Laws of the Republic of Kazakhstan.

Article 128. Order of entering of this Law into force

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

2. The Law of the Republic of Kazakhstan dated 21 January 1997 "On bankruptcy" shall be deemed to have lost force (The Bulletin of the Parliament of the Republic of Kazakhstan, 1997, No. 1-2, Article 7; No. 13-14, Article 205; 1998, No. 14, Article 198; No. 17-18, Article 225; 2000, No. 22, Article 408; 2001, No. 8, Article 52; No. 17-18, Article 240; No. 24, Article 338; 2002, No. 17, Article 155; 2003, No. 4, Article 26; No. 11, Article 67; 2004, No. 6, Article 42; No. 23, Article 142; 2005, No. 14, Article 57; 2006, No. 1, Article 4; No. 3, Article 22; No. 4, Article 24; No. 13, Article 86; No. 15, Article 95; 2007, No. 1, Article 4; No. 2, Article 14, 18; No. 9, Article 67; 2008, No. 13-14, Article 58; No. 23, Article 114; No. 24, Article 129; 2009, No. 2-3, Article 18; No. 18, Article 84; 2010, No. 5, Article 23; No. 7,

Article 28; 2011, No. 1, Article 2, 9; No. 5, Article 43; No. 11, Article 102; No. 12, Article 111; No. 21, Article 161; 2012, No. 2, Article 14, 15; No. 6, Article 43; No. 8, Article 64; No. 15, Article 97; No. 21-22, Article 124; 2013, No. 10-11, Article 56).

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of the Republic of Kazakhstan*

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