



## **On compulsory social medical insurance**

### *Unofficial translation*

Law of the Republic of Kazakhstan dated November 16, 2015 № 405-V.

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**Footnote. Throughout the text the words “compatriots” and “of compatriots” shall be replaced by the words “repatriates” and “of repatriates” by the Law of the RK dated 13.05.2020 № 327-VI (shall enter into force from 01.01.2021).**

This Law regulates public relations arising in the system of compulsory social medical insurance for purposes of enforcement of the constitutional right of citizens to health protection.

### **Chapter 1. GENERAL PROVISIONS Article 1. Basic definitions, used in the Law**

The following basic definitions shall be used in the Law:

1) the State Corporation “Government for Citizens” (hereinafter referred to as the State Corporation) is a legal entity created by the decision of the Government of the Republic of Kazakhstan to provide public services in accordance with the legislation of the Republic of Kazakhstan, organize work on accepting applications for the provision of public services and issuing their results to the service recipient according to the “one window” principle, ensuring the provision of public services in electronic form;

1-1) contributions - money paid by employers at their own expense to the social health insurance fund, giving the right to consumers of medical services for whom contributions were paid to receive medical care in the compulsory social health insurance system;

2) payers of deductions and (or) contributions (hereinafter - payers) - persons carrying out estimations, withholding, transfer, payment of deductions and (or) contributions to the social medical insurance fund in manner established by this Law;

3) The social medical insurance Fund (hereinafter - the Fund) - a non-commercial organization that accumulates deductions and contributions, as well as carries out procurements and services payments of healthcare entities providing medical assistance in the scopes and conditions provided by the medical services procurement contract, and other functions determined by law Republic of Kazakhstan;

4) the authorized body in the field of health care (hereinafter referred to as the authorized body) - the central executive body that provides leadership and intersectoral coordination in the field of health protection of citizens of the Republic of Kazakhstan, medical and

pharmaceutical science, medical and pharmaceutical education, sanitary and epidemiological well-being of the population, circulation of medicines and medical devices, quality of medical services (assistance);

5) health care entities - health care organization, as well as individuals engaged in private medical practice and pharmaceutical activities;

6) procurement of services from health care entities - planning, choice, conclusion and execution of the medical services procurement contract;

7) contributions - money paid to the fund by contribution payers specified in paragraph 2 of Article 14 of this Law, and granting the right to consumers of medical services to receive medical aid in the system of compulsory social medical insurance;

7-1) professional with a private practice - private notary, private bailiff, lawyer, professional mediator;

7-2) investment income – increments of fund assets expressed in terms of money, received in the result of their investment;

8) Fund assets – deductions and contributions, fee received for late payment of deductions and (or) contributions, investment income, minus commission remuneration for maintenance of fund activity, as well as other income to the fund not prohibited by the legislation of the Republic of Kazakhstan;

9) joint commission on quality of medical services (hereinafter - joint commission) – consultative and advisory body at the authorized body, created for making recommendations on improving clinical protocols, standards of medical education, provision of medicines, standards of quality control system and accessibility of services in the field of health care;

10) Procurement contract of medical services (hereinafter – services procurement contract) – an agreement in written form between the Fund and health care entity, providing for medical aid within statutory free medical assistance and (or) in the system of compulsory social medical insurance;

11) consumer of medical services - an individual who, in accordance with this Law, shall have the right to receive medical assistance in the system of compulsory social medical insurance;

12) compulsory social medical insurance - a complex of legal, economic and organizational measures to provide medical assistance to consumers of medical services at the expense of the fund assets of social medical insurance;

13) compulsory social medical insurance system - a set of norm and rules established by state governing the relations between participants of compulsory social medical insurance system;

14) medical assistance in the system of compulsory social medical insurance – the scope of medical assistance provided to consumers of medical services at the expense of the Fund assets of social medical insurance;

15) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

16) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

17) excluded by the Law of the Republic of Kazakhstan dated 23.12.2023 № 50-VIII ( shall be enforced upon expiration of sixty calendar days after the day of its first official publication).

Footnote. Article 1 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 №. 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 23.12.2023 № 50-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication ).

## **Article 2. Scope of application this Law**

1. Is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

2. Foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan, as well as repatriates, shall exercise rights and be under obligations in the system of compulsory social medical insurance on equal terms with citizens of the Republic of Kazakhstan, unless otherwise provided by this Law.

3. Foreigners and members of their families temporarily staying in the territory of the Republic of Kazakhstan in accordance with the terms of an international treaty ratified by the Republic of Kazakhstan enjoy rights and bear obligations in the system of compulsory social health insurance on an equal basis with citizens of the Republic of Kazakhstan, unless otherwise provided by laws or international agreements.

Family members of foreigners shall be cohabiting husband (wife) and children.

Footnote. Article 2 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication) ; dated 07.07.2020 № 361-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

## **Article 3. Legislation of the Republic of Kazakhstan on compulsory social medical insurance**

1. The legislation of the Republic of Kazakhstan on compulsory social medical insurance shall base on the Constitution of the Republic of Kazakhstan and consists of this Law and other normative legal acts of the Republic of Kazakhstan.

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

3. Legal relations regulated by the legislation of the Republic of Kazakhstan on compulsory social medical insurance shall not be covered by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

#### **Article 4. Principles of compulsory social medical insurance**

Compulsory social medical insurance shall be based on the principles:

- 1) observance and execution of the legislation of the Republic of Kazakhstan on compulsory social medical insurance;
- 2) obligatoriness of deductions and (or) contributions payment;
- 3) joint liability of the state, employers and citizens;
- 4) accessibility and quality of provided medical assistance;
- 5) use of fund assets exclusively for provision of medical assistance in the system of compulsory social medical insurance;
- 6) visibility of the Fund activities.

#### **Article 5. The right to medical assistance in the system of compulsory social medical insurance**

1. The right to medical assistance in the system of compulsory social medical insurance shall be granted to persons for whom deductions and (or) contributions payments were made to the fund, as well as exempted from payment to the fund in accordance with paragraph 7 of article 28 of this Law.

2. In case of non-payment of deductions and (or) contributions, the person shall receive medical assistance in the system of compulsory social medical insurance for no more than three months from the date of the termination of the payment of such deductions and (or) contributions. This right shall not relieve person of the obligation to pay contributions to the fund for the unpaid period.

2-1. Valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

2-2. Valid until 01.07.2021 by Law of the Republic of Kazakhstan dated 16.11.2015 № 405-V.

3. Persons, with the exception of persons provided for in subparagraph 9) of part one of paragraph 2 of Article 14 of this Law, for whom deductions and (or) contributions to the fund have not been paid shall be obliged to pay contributions in order to acquire the right to medical care in the system of compulsory social health insurance to the fund for the unpaid

period, but not more than twelve months preceding the date of payment, in the amount of 5 percent of the minimum wage established for the current financial year by the law on the republican budget, for each month.

Not included in the calculated unpaid period if the period in the calculation of the unpaid period covers the moment:

1) arising before January 1, 2020;

2) generation of income during the period of employment related to the list of activities to which an adjustment factor of 0 shall be established to the rates of taxes and social payments approved by the Government of the Republic of Kazakhstan, or in which the employer did not calculate and (or) did not pay contributions and/or contributions for compulsory social health insurance in accordance with the provisions of legal acts adopted to ensure the economic security of the country during crisis situations that create or may endanger the life and health of the population, in accordance with acts of the Government of the Republic of Kazakhstan;

3) arising before July 1, 2023 for persons specified in subparagraph 11) of part one of paragraph 2 of Article 14 of this Law.

**3-1. Valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.**

3-2. Persons provided for in subparagraph 9) of part one of paragraph 2 of Article 14 of this Law, who have not paid contributions to the fund, in order to acquire the right to medical assistance in the system of compulsory social health insurance shall pay contributions to the fund in one of the following ways:

1) for the period of twelve months following the date of payment, in the amount of 5 percent of the minimum wage established for the current financial year by the law on the republican budget, for each month;

2) for the unpaid period, but not more than twelve months preceding the date of payment, in the amount of 5 percent of the minimum wage established for the current financial year by the law on the republican budget, for each month.

4. Persons for whom contributions and/or contributions to the fund have not been received or who have not paid contributions to the fund shall be provided with a guaranteed amount of free medical care in accordance with the Code of Public Health and the Health System.

**Footnote. Article 5 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (the order of enforcement see Art. 2); dated 28.12.2018 № 208-VI (shall be enforced from 01.01.2020); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 04.07.2022 № 134-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).**

## **Article 6. The right of choice of health care organization in the system of compulsory social medical insurance**

1. Excluded by the Law of the RK dated 07.07.2020 № 361-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication).

The procedure for attachment of citizens to the primary health care organization shall be determined by the authorized body.

2. Citizens shall have the right of choice of medical organization providing hospital care in the system of compulsory social medical insurance in cases of receiving elective care.

3. The right of choice medical organization in the system of compulsory social medical insurance arises for citizens since acquires the right to medical assistance in the system of compulsory social medical insurance.

Footnote. Article 6 as amended by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced from 01.01.2020); dated 07.07.2020 № 361-VI ( shall enter into force upon expiry of ten calendar days after the day of its first official publication).

## **Article 7. Medical assistance in compulsory social health insurance**

The types of medical care and activities, the provision of medicines, medical products and specialized food products in the system of compulsory social health insurance shall be provided in accordance with the Code of the Republic of Kazakhstan "On health of the people and the healthcare system."

Footnote. Article 7 in the wording of the Law of the RK dated 07.07.2020 № 361-VI ( shall enter into force upon expiry of ten calendar days after the day of its first official publication).

## **Article 8. Ensuring the safety of compulsory social health insurance funds and targeted contribution funds allocated to the fund for a guaranteed volume of free medical care**

1. The state guarantees the safety of the fund's assets and target contribution funds allocated to the fund for a guaranteed volume of free medical care.

2. The safety of the fund's assets and target contribution funds allocated to the fund for the guaranteed volume of free medical care is ensured through:

1) regulating the activities of the fund by establishing norms and limits to ensure the financial stability of the fund;

2) carrying out investment activities through the National Bank of the Republic of Kazakhstan, with the exception of targeted contribution funds allocated for the guaranteed volume of free medical care;

3) accounting for all operations on investment management of the fund's assets in the National Bank of the Republic of Kazakhstan;

4) maintaining separate records of the fund's own funds and assets;

5) conducting an annual independent audit;

6) submission by the fund of regular financial statements in the manner established by the legislation of the Republic of Kazakhstan on accounting and financial reporting;

7) determining the list of financial instruments for investing the fund's assets.

**Footnote. Article 8 - as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

## **Chapter 2. STATE REGULATION OF THE SYSTEM OF COMPULSORY SOCIAL MEDICAL INSURANCE Article 9. State bodies carrying out state regulation of the system of compulsory social medical insurance**

State regulation of the system of compulsory social medical insurance shall be carried out by:

1) Government of the Republic of Kazakhstan;

2) authorized body;

3) local executive bodies of regions, cities of republican significance and the capital.

### **Article 10. Competence of the Government of the Republic of Kazakhstan**

Government of the Republic of Kazakhstan:

1) approves the list of medical assistance in the system of compulsory social medical insurance;

2) makes decisions on the establishment, reorganization or liquidation of a fund in the manner provided by the laws of the Republic of Kazakhstan;

3) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication);

4) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication);

4-1) establishes the maximum interest rate of the fund's commission;

5) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication);

5-1) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication);

5-2) define a list of state bodies responsible for providing data on the categories of persons specified in paragraph 1 of Article 26 of this Law, and on foreigners temporarily staying in the territory of the Republic of Kazakhstan and being labor migrants, as well as members of their families from the member states of the Eurasian Economic Union to the State Corporation for further transfer to the information system of compulsory social health insurance;

6) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).

Footnote. Article 10 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (for the procedure of entry into force, see Article 3).

## **Article 11. Competence of the authorized body**

The authorized body shall:

1) develop and determine the procedure and terms of calculation (withholdings) and transfer of deductions and (or) contributions to compulsory social medical insurance;

2) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

2-1) develop and determine the procedure and methodology for tariffs formation for medical services in the system of compulsory social medical insurance;

3) develop size of the fund reserve for unforeseen expenses;

3-1) develop the procedure for the formation and use of fund reserve for covering unforeseen expenses;

4) develop norms and limits ensuring the financial sustainability of the fund;

5) develops a recommendation to establish a maximum interest rate for the fund's commission from the fund's assets, allocated to ensure the activities of the fund;

5-1) annually establishes the interest rate of the fund's commission within the limits established by the Government of the Republic of Kazakhstan;

5-2) approves the rules for collecting commission fees by the fund;

6) excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication);

7) approves the forms and deadlines for reporting by the fund on the funds for the provision of medical care;

8) analyze, evaluate and control the financial sustainability of the fund;

9) carry out the internal control over the fund activities in the manner established by the laws of the Republic of Kazakhstan;

10) have the right to receive information on the fund activities, as well as information from state bodies and organizations, necessary for the implementation of its control functions;

10-1) determines, in coordination with the National Bank of the Republic of Kazakhstan, the central authorized bodies for state and budget planning, the list of financial instruments for investing the fund's assets;

11) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication);



12) 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 11 as amended by Laws of the Republic of Kazakhstan dated 06.04.2016 № 483-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2023 № 223-VII (for the procedure of entry into force, see Article 3).**

## **Article 12. Competence of local executive bodies of regions, cities of republican significance and the capital**

Local executive bodies of regions, cities of republican significance and the capital shall:

1) ensure the implementation of the rights of citizens of the Republic of Kazakhstan, repatriates, as well as foreigners and stateless persons permanently residing in the territory of the Republic of Kazakhstan for medical assistance in the system of compulsory social medical insurance;

2) provide planning of medical assistance in the system of compulsory social medical insurance;

3) pay for travel within the country to certain categories of citizens according to the list determined by local representative bodies of regions, cities of republican significance and the capital, traveling outside the settlement of their permanent residence for receiving high-tech medical services within the medical assistance in the system of compulsory social medical insurance;

4) carry out in the interests of local government other powers imposed on local executive bodies by the legislation of the Republic of Kazakhstan.

**Footnote. Article 12 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Chapter 3. PARTICIPANTS OF THE SYSTEM OF COMPULSORY SOCIAL MEDICAL INSURANCE Article 13. Participants of the system of compulsory social medical insurance**

Participants of the system of compulsory social health insurance shall be:

- 1) payers;
- 2) consumers of medical services;
- 3) health care entities;
- 4) authorized body;
- 5) the National Bank of the Republic of Kazakhstan;

- 6) Fund;
- 7) State Corporation;
- 8) other authorized bodies.

#### **Article 14. Payers**

1. Payers of deductions shall be the employers, including foreign legal entities, carrying out activities in the Republic of Kazakhstan through a permanent enterprise, as well as branches, representative offices of foreign legal entities that calculate (withhold) and transfer deductions and contributions to the fund in the manner prescribed by Chapter 6 of this Law, and employers applying special tax regimes and making contributions to the fund as part of a single payment established by Article 776-3 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code).

2. Contribution payers shall be:

1) The State;

2) employees, including state and civil servants, except for military servants, law enforcement officers, special state bodies;

2-1) persons who are employees of micro-entrepreneurship and small business entities that apply special tax regimes and pay contributions to the fund as part of a single payment established by Article 776-3 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code).

The procedure for payment, transfer, and distribution, as well as the return of a single payment, shall be determined by the authorized state body in the field of social security in agreement with the National Bank of the Republic of Kazakhstan, as well as the authorized state body in charge of ensuring tax revenues and payments to the budget, and authorized state bodies for state planning, in the field of healthcare, and digital development;

3) individual entrepreneurs;

4) professionals with a private practice;

5) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019);

6) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019);

7) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI (shall be enforced from 01.01.2019);

8) individuals who receive income under civil law contracts concluded with a tax agent in accordance with the legislation of the Republic of Kazakhstan (hereinafter - individuals who receive income under civil law contracts);

9) the persons who independently pay contributions, including citizens of the Republic of Kazakhstan who have left the Republic of Kazakhstan (hereinafter referred to as - independent payers), except for the persons specified:

in subparagraphs 2), 8) and 10) of part one of this Paragraph;

in subparagraph 3) of part one of this Paragraph, except for having suspended the submission of tax reports or declared inactive in accordance with the tax legislation of the Republic of Kazakhstan;

in Subparagraph 4) of part one of this Paragraph, except for having suspended the submission of tax reports in accordance with the tax legislation of the Republic of Kazakhstan ; as well as the citizens of the Republic of Kazakhstan who leave for permanent residence beyond the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan, and citizens for whom payments of deductions and (or) contributions shall be paid in the Republic of Kazakhstan;

**10) Valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI;**

11) individual assistants.

Payers of contributions shall not be foreigners and stateless persons, with the exception of persons permanently residing in the territory of the Republic of Kazakhstan, and repatriates, unless otherwise provided by international treaties ratified by the Republic of Kazakhstan.

3. Calculation (withholding) and transfer of employees contributions including state and civil servants to the Fund shall be carried out by employers at the expense of employees including state and civil servants income.

4. Accounting (withholding) and transfer of individuals contributions received income under civil-legal contracts to the fund shall carried out at the expense of income of such individuals by tax agents defined by the tax legislation of the Republic of Kazakhstan ( hereinafter - tax agent).

4-1. Calculation and transfer of professionals with a private practice, individual entrepreneurs, and independent payers shall be carried out independently or by a third party in their favor.

4-2. Calculation (withholding) and transfer of contributions of individual assistants are carried out by local executive bodies or other legal entities when paying them material benefits in accordance with paragraph nine of subparagraph 31) of paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code).

5. Payers shall have the right:

1) for return of erroneously payment of deductions and (or) contributions, and (or) fees for late and (or) incomplete payment of deductions and (or) contributions;

1-1) for the return of overpaid amounts of deductions and (or) contributions in the absence of debts for the previous period;

2) request and receive necessary free information from the fund about the transferred amounts of deductions and (or) contributions;

3) on the exercise of other rights provided by this Law.

6. Payers (except for persons specified in the sub-paragraphs 2), 8), 9), 10) and 11) of part one of paragraph 2 of this article) are obliged to:

1) to calculate (withhold) and transfer deductions and (or) contributions timely and in full, as well as penalties for untimely and (or) incomplete payment of deductions and (or) contributions;

2) independently calculate and recalculate the amount of deductions and (or) contributions paid to the Fund.

7. Employers, tax agents shall be obliged to notify employees, state and civil servants, individuals receiving income under civil-legal contracts of monthly deductions, as well as withheld and transferred contributions of employees, state and civil servants, individuals receiving income under civil-legal contracts.

Local executive bodies or other legal entities, when paying material benefits to individual assistants in accordance with paragraph nine of subparagraph 31) of paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code), are obliged to notify them of withheld and transferred contributions to compulsory social health insurance

8. Employers shall submit to the fund, on a monthly basis not later than the 25th of the month following the reporting month, lists of employees who received income during the period of employment related to the list of activities to which an adjustment factor of 0 to the rates of taxes and social payments approved by the Government of the Republic of Kazakhstan shall be established, or for which they do not calculate and (or) do not pay contributions and/or contributions for compulsory social health insurance in accordance with the provisions of legal acts adopted to ensure the economic security of the country during crisis situations that create or may endanger the life and health of the population, in accordance with acts of the Government of the Republic of Kazakhstan.

**Footnote. Article 14 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (the order of enforcement see Art. 2); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).**

## **Article 15. Consumers of medical services**

1. Consumers of medical services shall have the right to:

1) obtaining timely and quality medical assistance;

2) choice of a medical organization in the system of compulsory social medical insurance in accordance with this Law.

2. Consumers of medical services enjoy the rights of patients provided by the Code of the Republic of Kazakhstan "On public health and health care system".

3. Consumers of medical services shall bear the duties provided for in Articles 80 and 82 of the Code of the Republic of Kazakhstan "On people's health and the healthcare system", as well as other duties provided for by the laws of the Republic of Kazakhstan.

**Footnote. Article 15 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

#### **Article 16. Health care entities**

1. Health care entities upon rendering of medical assistance in the system of compulsory social medical insurance shall have the right:

1) in agreement with the fund, conclude contracts with other health care entities to fulfill obligations under the services procurement contract;

2) appeal to the fund to clarify terms of services procurement contract.

2. Health care entities upon rendering of medical assistance in the system of compulsory social medical insurance shall be obliged to provide:

1) timeliness, accuracy and correctness of entering data into information systems and electronic information resources of the system of compulsory social health insurance;

2) access to the information systems and electronic information resources of the system of compulsory social health insurance;

3) provision, upon request of the fund of information and documentation necessary for monitoring the fulfillment of the terms and conditions of the service procurement contract;

4) at request of the fund, access to medical organization that provides medical assistance for monitoring the fulfillment of the terms and conditions of the service procurement contract.

3. Upon providing medical assistance in the system of compulsory social medical insurance, health care entities shall have obligations stipulated by the Code of the Republic of Kazakhstan "On public health and health care system", as well as other obligations provided by the laws of the Republic of Kazakhstan.

#### **Article 17. State Corporation**

1. The State Corporation in the system of compulsory social medical insurance shall carry out the following activities related to the state monopoly:

1) processing and transfer of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions from payers to the Fund within three banking days;

2) returning overpaid (erroneously) credited amounts of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions to payers in the manner determined by the authorized agency;

2-1) returning to the payer of a single payment the amount exceeding the number of contributions and deductions to the fund, calculated from the 10-fold minimum wage established for the corresponding financial year by the law on the republican budget, in the manner determined by the authorized state body in the field of social security in agreement with the National Bank of the Republic of Kazakhstan, as well as the authorized state body in charge of ensuring the receipt of taxes and payments to the budget, and the authorized state bodies for state planning, in the field of healthcare and digital development;

3) transferring overpaid (erroneously) paid amounts of deductions and (or) contributions to payers within three banking days from the date of transfer of these funds from the Fund to the account of the State Corporation;

4) forms a monthly need and sends to the authorized agency applications for the need for budgetary funds for state contributions to compulsory social medical insurance for the persons specified in Paragraph 1 of Article 26 of this Law.

2. The State Corporation in the system of compulsory social medical insurance shall carry out the following activities technologically related to the state monopoly:

1) update the database of individuals for whom the deductions and (or) contributions have been paid, and also provide for the payment of contributions by the state in accordance with Paragraph 1 of Article 26 of this Law;

2) personalized accounting of deductions and (or) contributions on the basis of individual identification numbers and reconciling receipts of deductions and (or) contributions on the basis of information system of the authorized state agency for labor with information systems of state agencies and state revenues authorities by the integration of information systems;

3) submit the registers of received and returned deductions and contributions of payers to the authorized state agency managing for receipt of taxes and other compulsory payments to the budget;

4) provide information services to the participants of compulsory social medical insurance system in accordance with the activities of the State Corporation, taking into account the requirements of the legislation of the Republic of Kazakhstan for confidentiality of information on status and movement of deductions and (or) contributions;

5) provide information from information systems in compulsory social medical insurance system to the Fund;

6) ensure the confidentiality of information on status and movement of deductions and (or) contributions, except for cases provided by the Laws of the Republic of Kazakhstan;

7) give the necessary explanations on implementation of transfer, payment, return of overpaid (erroneously) paid amounts of deductions and (or) contributions;

8) form and transfer the documents to the Fund for return of overpaid (erroneously) paid amounts of deductions and (or) contributions;

9) provision of state services by “a window” principle, for actualization of social status of persons whose contributions shall be paid by the state.

3. Central executive authorities and state authorities directly subordinate and accountable to the President of the Republic of Kazakhstan, with the exception of the National Bank of the Republic of Kazakhstan shall ensure the access of the State Corporation, within its competence, to information systems under their jurisdiction, subject to compliance with the requirements provided by the legislation of the Republic of Kazakhstan on informatization and state secrets.

The State Corporation shall be obliged to create the necessary conditions for protection of information received within the implementation of part one of this Paragraph in accordance with the requirements provided by the legislation of the Republic of Kazakhstan on informatization and state secrets.

Access and use of information by the State Corporation from the information systems of state authorities shall be provided in the manner determined by the joint regulatory legal act of the authorized state agency.

4. The state corporation shall cooperate with the Fund on the issues of accounting, transfer , return of deductions and (or) contributions.

5. Prices for goods (services) produced and/or sold by the State Corporation shall be determined by an authorized body determined by a decision of the Government of the Republic of Kazakhstan from among the central state bodies, in agreement with the authorized body and the antimonopoly body.

**Footnote. Article 17 is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the RK dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023).**

#### **Chapter 4. FUND OF SOCIAL MEDICAL INSURANCE Article 18. Fund status and assets**

1. The Fund is a non-commercial organization in legal form of organization of a joint stock company, the sole founder and shareholder of which is the Government of the Republic of Kazakhstan.

2. Fund bodies:

- 1) supreme body - sole shareholder;
- 2) management body - board of directors;
- 3) executive body - board;
- 4) other bodies in accordance with the fund charter.

3. The Fund creates an internal audit service.

4. Fund assets shall form by:

1) deductions, contributions, fees received for late payment of deductions and (or) contributions, investment income minus the commission remuneration for maintenance of the Fund activity;

2) other receipts to the fund not prohibited by the legislation of the Republic of Kazakhstan.

5. The assets of the fund and target contribution funds allocated for the guaranteed volume of free medical care are placed in accounts opened with the National Bank of the Republic of Kazakhstan and can be used exclusively for the following purposes:

1) payment for the services of healthcare entities to provide medical care in the system of compulsory social health insurance and within the framework of the guaranteed volume of free medical care;

2) placement in financial instruments, with the exception of targeted contribution funds allocated for the guaranteed volume of free medical care;

3) return of overpaid amounts of deductions and (or) contributions, other erroneously credited funds.

6. The assets of the fund and the funds of the target contribution allocated for the guaranteed volume of free medical care cannot be:

1) subject of a pledge;

2) collected at the request of creditors;

3) subject to arrest or other encumbrance;

4) collected by collection order for the obligations of the fund and third parties;

5) transferred to trust management, with the exception of cases provided by Article 21 of this Law;

6) the subject of ensuring the execution of a tax obligation that was not fulfilled in time.

**Footnote. Article 18 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

#### **Article 19. The Fund activity**

1. The Fund carries out its activities at the expense of commission remuneration received from the assets of the fund, minus income from investment activities. The commission remuneration is not the subject of fulfillment of obligations to pay for provision of services by the fund within the guaranteed volume of free medical care and (or) in the system of compulsory social health insurance arising from the contract for the purchase of services, as well as overpaid obligations within the guaranteed volume of free medical care.

2. Own funds (property) of the Fund shall form and consist of the authorized capital of the Fund, commission remuneration and other incomes to the Fund, not prohibited by the legislation of the Republic of Kazakhstan.



3. The Fund carries out the following activities related to the state monopoly:

- 1) accumulation of deductions and contributions;
- 2) payment for services of health care entities in the provision of medical assistance in the system of compulsory social medical insurance;
- 3) other activities in accordance with the Code of the Republic of Kazakhstan " On public health and health care system".

4. The Fund carries out the following activities technologically related to the state monopoly:

- 1) accounting of consumers of medical services in compulsory social health insurance;
- 2) accounting of health care entities, providing medical assistance in the system of compulsory social medical insurance;
- 3) creation and development of an information system and electronic information resources for the system of compulsory social health insurance.

5. Prices for goods (work, services) produced and (or) distributed by state monopoly entity shall establish by the authorized body in coordination with the antimonopoly authority.

6. In the part not regulated by this Law, to the Fund activity shall apply the legislation of the Republic of Kazakhstan on joint stock companies.

**Footnote. Article 19 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.06.2020 № 347-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 14.07.2022 № 141-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 19.04.2023 № 223-VII (shall be enforced ten calendar days after the date of its first official publication).**

## **Article 20. Rights and obligations of the Fund**

1. The Fund shall has the right to:

- 1) receive a commission remuneration from the Fund assets for own activities;
- 2) request and receive information and documentation from participants of the system of compulsory social medical insurance necessary for monitor, implementation of conditions of services procurement contract;
- 3) monitor the fulfillment of the terms and conditions of the services procurement contract by visiting a health care entity providing medical assistance;
- 4) establish branches and representative offices in the Republic of Kazakhstan in the manner established by the legislation of the Republic of Kazakhstan;
- 5) develop proposals on formation of a list of medical assistance in the system of compulsory social medical insurance and size of tariffs for medical services provided within the framework of medical assistance in the system of compulsory social medical insurance;

6) carry out advisory and explanatory work among the population and health care organizations on issues of compulsory social medical insurance;

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

2. The Fund shall be obliged:

1) to accumulate deductions and contributions for compulsory social medical insurance;

2) to ensure timely payment for services of health care entities under terms of the services procurement contract;

3) to place temporarily free resources of the Fund to financial instruments through the National Bank of the Republic of Kazakhstan;

4) ensure an annual independent audit performance;

5) return of overpaid (erroneously) paid amounts of deductions, contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions;

6) to form a reserve for unforeseen expenses in the manner determined by the Government of the Republic of Kazakhstan;

7) to plan costs of medical assistance in the system of compulsory social medical insurance;

8) monitor performance of a contractual obligation on quality and scope of medical assistance by health care entities provided to consumers of medical services;

9) consider complaints and appeals of citizens and health care organizations regarding the provision of medical assistance in the system of compulsory social medical insurance;

10) to execute other duties in accordance with the laws of the Republic of Kazakhstan.

3. The Fund shall have the right:

1) dispose of the Fund assets, except for the cases provided for by this Law;

2) do an entrepreneurial and other activities not provided by the laws of the Republic of Kazakhstan.

**Footnote. Article 20 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Article 21. The Fund investment activity**

1. The Fund carries out investment activities by the Fund assets allocation to financial instruments through the National Bank of the Republic of Kazakhstan on the basis of a trust management agreement concluded between the fund and the National Bank of the Republic of Kazakhstan.

2. The National Bank of the Republic of Kazakhstan keeps records of all operations related on accumulation and Fund assets allocation, receiving investment income, and quarterly submits a report on the status of accounts and investment activities to the Fund in accordance with the concluded trust management agreement.

## **Article 22. Accounting and reporting**

1. The Fund maintains accounting records, prepares and presents financial statements on its own funds in the manner established by the legislation of the Republic of Kazakhstan on accounting and financial reporting.

2. For the funds to pay for the services of healthcare entities to provide medical care in the system of compulsory social health insurance and within the framework of the guaranteed volume of free medical care, the fund:

maintains accounting records in the manner established by the legislation of the Republic of Kazakhstan on accounting and financial reporting;

compiles and submits reports in the manner established by the legislation of the Republic of Kazakhstan in the field of social health insurance.

**Footnote. Article 22 - as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

## **Article 23. The Fund audit**

1. An audit of the financial statements of the fund and reporting on funds for the provision of medical care is carried out in accordance with the legislation of the Republic of Kazakhstan on auditing activities.

**2. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

**3. Excluded by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

**Footnote. Article 23 as amended by the Law of the Republic of Kazakhstan dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).**

## **Article 24. Requirements for the Fund leading employees**

1. The Fund leading employees are the first head of the executive body and his deputies.

2. The following requirements shall be established for the Fund leading employees:

possession of a higher vocational (medical or financial-economic) education;

possession of not less than five years' work experience in leading positions directly related to professional activities in the securities market and in organizations operating in the financial market, or not less than five years' work experience in leading positions in quasi-public sector entities, or not less than ten years' work experience of public service, including not less than five years in leading positions in government bodies or not less than five years' work experience in leading positions in the field of health care.

3. The Fund leading employee cannot be a person:

1) previously committed corruption offense;

2) previously the first head, deputy first head, chief accountant of a legal entity that was declared bankrupt or subjected to rehabilitation, preservation, forced liquidation while the person was in the position of first head, deputy first head, chief accountant of the legal entity.

## **Chapter 5. FINANCING OF THE SYSTEM OF COMPULSORY SOCIAL MEDICAL INSURANCE Article 25. Financing sources**

Financing sources of the system of compulsory social medical insurance shall be:

1) deductions, contributions, fees received for late payment of deductions and (or) contributions, and investment income;

2) other incomes not prohibited by the legislation of the Republic of Kazakhstan.

**Footnote. Article 25 as amended by Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Article 26. State contributions to compulsory social medical insurance**

1. State contributions to compulsory social medical insurance shall be paid monthly during the first five working days of the current month in the manner determined by the budget legislation of the Republic of Kazakhstan for the following persons:

1) children;

2) persons registered as unemployed;

3) non-working pregnant women;

4) a nonworking person (one of the legal representatives of a child) raising a child (children) until he/she (they) reach the age of three years, with the exception of the persons specified in Subparagraph 5) of this Paragraph;

5) persons on leave due to pregnancy and childbirth, adoption of a newborn child (children), to care for a child (children) until he/she (they) reach the age of three years;

6) non-working persons caring for a child with a disability;

6-1) non-working persons caring for a person with a disability of the first group;

7) recipients of pension payments, including veterans of the Great Patriotic War;

8) persons enduring the punishment by decree in the institutions of correctional (penitentiary) system (with the exception of the minimum security institutions);

9) persons held in pre-trial detention centers, as well as non-working persons, to whom a measure of restraint in the form of house arrest has been applied;

10) non-working repatriates;

11) mothers with many children, awarded with pendants "Altynalka", "Kimisalka" or previously received the title of "Mother-heroine", as well as awarded with the orders "Maternal Glory" I and II degree;

12) persons with disabilities;

13) persons studying full-time education in organizations of secondary, technical and vocational, post-secondary, higher education, as well as post-graduate education;

14) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

15) nonworking recipients of state targeted social assistance.

For the purposes of this Paragraph, non-working persons shall be understood to be persons not engaged in entrepreneurial or labor activity and not have income.

2. Contributions of the state for compulsory social health insurance payable to the fund are established in the following amounts:

from January 1, 2020 - 1.4 percent from the object of calculating the state contributions;

from January 1, 2021 - 1.6 percent from the object of calculating the state contributions;

from January 1, 2022 - 1.7 percent from the object of calculating the state contributions;

from January 1, 2023 - 1.8 percent from the object of calculating the state contributions;

from January 1, 2024 - 1.9 percent from the object of calculating the state contributions;

from January 1, 2025 - 2 percent from the object of calculating the state contributions;

from January 1, 2026 - at least 2, but not more than 3 percent from the object of calculating the state contributions. At that, the amount of state contributions is established annually for the corresponding financial year by the law on the republican budget.

3. Accounting object of state contributions shall be the average monthly salary preceding two years of the current financial year, determined by the authorized body in the field of state statistics.

4. Is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).

5. The Fund, in the presence of supporting documents, assigns the status of a consumer of medical services in the system of compulsory social medical insurance in the fund's information system to persons specified in paragraph 1 of this article, before paying state contributions for one month.

Footnote. Article 26 as amended by Laws of the Republic of Kazakhstan dated 22.12.2016 № 29-VI (shall be enforced from 01.01.2017); dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (the order of enforcement see Art. 2); dated 03.04.2019 № 243-VI (shall be enforced from 01.07.2019); dated 06.05.2020 № 323-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 30.12.2021 № 95-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 27.06.2022 № 129-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

## **Article 27. Deductions to compulsory social medical insurance**

1. Deductions of employers payable to the Fund shall be established in the amount of:  
from July 1, 2017 - 1 percent of accounting object of deductions;  
from January 1, 2018 - 1.5 percent of accounting object of deductions;  
from January 1, 2020 - 2 percent of accounting object of deductions;  
from January 1, 2022 - 3 percent of accounting object of deductions.

1-1. For the payers of a single payment, the amount of deductions from the single payment rate established by paragraph 1 of Article 776-3 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code) is from:

January 1, 2023 - 15.0 percent;  
January 1, 2024 - 14.0 percent;  
January 1, 2025 - 12.6 percent;  
January 1, 2026 - 12.1 percent;  
January 1, 2027 - 11.6 percent;  
January 1, 2028 - 11.4 percent.

2. The object of calculation deductions shall be the expenses of the employer, paid to the employee, including state and civil servant, in the form of income calculated in accordance with Article 29 of this Law.

2-1. The object of calculation of deductions shall be the expenses of an employer, who is a micro-entrepreneurship and small business entity, applying special tax regimes provided for in paragraph 3 of Chapter 77 and Chapter 78 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code), paid in the form of income to the employee provided for by Article 322 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code).

At the same time, the monthly income accepted for calculating deductions from a single payment should not exceed 10 times the minimum wage established for the corresponding financial year by the law on the republican budget.

3. Employers shall exempt from the deductions payment for:

- 1) the persons specified in subparagraphs 1), 5), 7), 11), 12) and 13) of paragraph 1 of Article 26 of this Law;
- 2) military servants;
- 3) employees of special state bodies;
- 4) law enforcement officials.

**Footnote. Article 27 as amended by Laws of the Republic of Kazakhstan dated 22.12.2016 № 29-VI (shall be enforced from 01.01.2017); dated 30.06.2017 №80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023).**

## **Article 28. Contributions to compulsory social medical insurance**

1. Contributions of employees, including state and civil servants, as well as individuals and individual assistants who receive income under civil law contracts payable to the fund, are established in the amount of:

from January 1, 2020 - 1 percent from object of calculation contributions;

from January 1, 2021 - 2 percent from object of calculation contributions.

1-1. Contributions of employees, provided for by subparagraph 2-1) of paragraph 2 of Article 14 of this Law, payable to the fund shall be established in the amount of:

January 1, 2023 - 10.0 percent of the single payment rate;

January 1, 2024 - 9.3 percent of the single payment rate;

January 1, 2025 - 8.4 percent of the single payment rate;

January 1, 2026 - 8.1 percent of the single payment rate;

January 1, 2027 - 7.8 percent of the single payment rate;

January 1, 2028 - 7.6 percent of the single payment rate.

**2. Is excluded by Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018).**

3. Contributions of individual entrepreneurs, professionals with a private practice from January 1, 2020 shall be established at the rate of 5 percent from object of calculation contributions.

4. Contributions of independent payers shall be established from January 1, 2020 at the rate of 5 percent of object of calculation contributions.

4-1. In this case, the size of the monthly calculation indicator established by the law on the republican budget and valid as of January 1 of the corresponding financial year is applied.

5. The objects of calculating contributions of employees, including state and civil servants, as well as individuals and individual assistants who receive income under civil law contracts, are their incomes calculated in accordance with article 29 of this Law.

The object of calculation contributions of individual entrepreneurs, professionals with a private practice shall be 1.4 times the minimum wage established for relevant financial year by the Law on the republican budget, with the exception of the suspended submission of tax reporting in accordance with the tax legislation of the Republic of Kazakhstan, the professionals with a private practice and the suspended submission of tax reports, or declared inactive, in accordance with the tax legislation of the Republic of Kazakhstan of individual entrepreneurs.

5-1. The object of calculation of employees' contributions provided for in subparagraph 2-1) of paragraph 2 of Article 14 of this Law, payable to the fund shall be the employee's income, provided for in Article 322 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code), accrued by an employer, who is a micro-entrepreneurship and small business entity, applying special tax regimes provided for

in paragraph 3 of Chapter 77 and Chapter 78 of the Code of the Republic of Kazakhstan “On taxes and other obligatory payments to the budget” (Tax Code).

At the same time, the monthly income accepted for the calculation of contributions from a single payment should not exceed 10 times the minimum wage established for the corresponding financial year by the law on the republican budget.

6. The object of calculation contributions of independent payers including the suspended submission of tax reporting in accordance with the tax legislation of the Republic of Kazakhstan, professionals with a private practice and the suspended submission of tax reports , or declared inactive, in accordance with the tax legislation of the Republic of Kazakhstan, shall be the minimum wage established for relevant financial year by the Law on the republican budget.

7. Exempted from contributions payment to the Fund shall be:

- 1) the persons specified in paragraph 1 of Article 26 of this Law;
- 2) military servants;
- 3) employees of special state bodies;
- 4) law enforcement official.

**Footnote.** Article 28 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018) ; dated 26.12.2018 № 203-VI (order of enforcement see Article 2); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

## **Article 29. Incomes accepted for accounting of deductions and (or) contributions**

1. Employees incomes including state and civil servants accepted for calculation the deductions and contributions shall be income accrued by employers, with the exception of income specified in Paragraph 4 of this Article.

The incomes of the staff of diplomatic service, directed in accordance with the legislation of the Republic of Kazakhstan to work in a foreign institution of the Republic of Kazakhstan, during the stay in a foreign country in connection with execution of professional activity shall be income accrued by the employer in the Republic of Kazakhstan in national currency, except for incomes established by Paragraph 4 of this Article.

2. The incomes of an individual under civil-legal contracts shall be all accrued.

2-1. The income of individual assistants is the income specified in paragraph 9 of subparagraph 31) of paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan " On taxes and other mandatory payments to the budget" (Tax Code).

3. The monthly object accepted for calculation of deductions shall not exceed 10 times the minimum wage, established for relevant financial year by the Law on the republican budget.



Monthly income accepted for calculation of contributions shall be calculated on the amount of all types of income of an individual and shall not exceed 10 times the minimum wage established for relevant financial year by the Law on the republican budget.

When paying contributions from the amount of income equal to 10 times the minimum wage established for relevant financial year by the Law on the republican budget, payment of contributions from other incomes of an individual shall not be required in possession of a document confirming the payment of such contributions.

Such a document shall be a certificate of amounts of received incomes, calculated and paid contributions, issued by employer and (or) tax agent.

The requirements of this Paragraph shall not apply to individuals shall be:

1) independent payers;

2) Valid until 01.01.2024 in accordance with the Law of the Republic of Kazakhstan dated 26.12.2018 № 203-VI.

4. Deductions and (or) contributions to the Fund shall not be withheld from the following payments and incomes:

1) incomes specified in paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

2) incomes specified in paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code), except for income specified in subparagraph 10), 12) and 13) of paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

3) incomes specified in subparagraph 10) of Article 654 of the Code of the Republic of Kazakhstan "On taxes and other compulsory payments to the budget" (Tax Code);

4) payments at the expense of grants (except for payments in the form of remuneration of labour to employees and payment for work (services) to individuals under civil-legal contracts);

5) compensation payments in case of termination of an employment contract in cases of termination of an employer' activity - an individual or liquidation of an employer - a legal entity, reduction of number or staff in the amount established by the legislation of the Republic of Kazakhstan.

This paragraph does not apply to:

income of employees for whom a single payment is made in accordance with Article 776-1 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code);

income of individual assistants.

Footnote. Article 29 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by Laws of the Republic of Kazakhstan dated 25.12.2017 № 122-VI

(shall be enforced from 01.01.2018) ; dated 26.12.2018 № 203-VI (order of enforcement see Article 2); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

**Chapter 6. ACCOUNTING (WITHHOLDING) AND TRANSFERRING OF DEDUCTIONS AND (OR) CONTRIBUTIONS Article 30. Accounting (withholding) and transferring of deductions and (or) contributions**

1. Calculation (withholding) and transferring of deductions and (or) contributions of employees including state and civil servants shall be carried out by employer on a monthly basis.

1-1. Payers of a single payment shall pay deductions and contributions to the fund within the time limits established by paragraph 5 of Article 776-4 of the Code of the Republic of Kazakhstan "On taxes and other obligatory payments to the budget" (Tax Code).

2. Accounting (withholding) or transferring of contributions of individuals who receive income under civil-legal contracts shall be made monthly by tax agents with whom such contracts are concluded.

2-1. The calculation (withholding) and transfer of contributions of individual assistants who receive income under civil contracts are carried out monthly by legal entities with which such contracts have been concluded.

3. Calculation and payment of monthly contributions of individual entrepreneurs, professionals with a private practice shall be carried out through banks or organizations carrying out certain types of banking operations for the subsequent transfer by the State Corporation to the Fund account.

3-1. Payment of contributions of independent payers to the Fund shall be made through banks or organizations carrying out certain types of banking operations for the subsequent transfer by the State Corporation to the Fund account.

The persons specified in Paragraph 3 of this Article and part one of this Paragraph shall have the right to make payment of contributions to the Fund for the forthcoming period.

3-2. Payment of contributions of the accompanying husband (accompanying wife) of staff of the diplomatic service of the Republic of Kazakhstan, sent in accordance with the legislation of the Republic of Kazakhstan to work in the foreign institution of the Republic of Kazakhstan, can be made by withholding from salary of the staff of the diplomatic service in national currency for subsequent transfer to the Fund account through the State Corporation according to their statement.

4. By decision of a resident legal entity, its branches and representative offices may be considered as payers of deductions and (or) contributions.

5. Deductions and (or) contributions shall be paid in national currency of the Republic of Kazakhstan.

6. Accrued (withheld) deductions and (or) contributions shall transferred through banks or organizations carrying out certain types of banking operations for subsequent transfer by the State Corporation to the Fund account:

1) individual entrepreneurs and legal entities (except for persons specified in Subparagraphs 2) and 5) of this Paragraph), professionals with a private practice - no later than the 25 day of the month following the month of income payment;

2) individual entrepreneurs and legal entities (except for persons specified in Subparagraph 5) of this Paragraph), professionals with a private practice in own favor - monthly not later than the 25 day of the month following the reporting month;

3) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced from 01.01.2018);

4) is excluded by Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced from 01.01.2018);

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

6) independent payers – not later than the 25 day of the month following the reporting month.

7. The payment day of deductions and (or) contributions made in non-cash form shall considered the day of acceptance receipt of a payment order for the amount of deductions and (or) contributions from a bank or organization that carries out certain types of banking operations carried out in cash – the day the payer makes deductions and (or) contributions to a bank or organization carrying out certain types of banking operations.

8. Control for completeness and timeliness of payment of deductions and (or) contributions, and (or) fees accrued in accordance with paragraph 1 of Article 31 of this Law, shall be exercised by state revenue authorities in accordance with the legislation of the Republic of Kazakhstan, except for the contributions payment by payers specified in subparagraphs 1), 9) and 10) of paragraph 2 of Article 14 of this Law.

Footnote. Article 30 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (the order of enforcement see the Article 2); dated 26.12.2018 № 203-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2022 № 168-VII (shall be enforced from January 1, 2023); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

### **Article 31. Responsibility of a payer for untimely transfer of deductions and (or) contributions**

1. The amounts of deductions and (or) contributions not transferred on time shall be collected by the state revenue authorities and shall be transferred by the payer to the fund account with the accrued interest in the amount of 1.25 times the base rate of the National

Bank of the Republic of Kazakhstan, for each day of delay (including the day of payment to the fund).

2. Not later than five working days from the date of debts on deductions and (or) contributions from the payer, assigned in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan, to the category of high or medium risk, the state revenue authority shall send a notification of amount debts to the payer

The form of notification shall be approved by the authorized agency managing for receipt of taxes and other compulsory payments to the budget.

3. In the case of non-payment of debts of deductions and (or) contributions, the state revenues authority shall suspend expenditure transactions on bank accounts and cash desk of: the payer classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan to the category of high risk - upon expiration of one working day from the date of delivery of the notification to him/her;

the payer classified in accordance with the risk management system provided by the tax legislation of the Republic of Kazakhstan to the category of the medium risk level - upon expiration of ten working days from the date of delivery of the notification to him/her.

By order of the state revenue authorities, banks and organizations engaged in certain types of banking operations shall be obliged to suspend expenditure transactions on payers bank accounts and follow instructions regarding the transfer of compulsory pension contributions, compulsory professional pension contributions, social contributions, deductions and (or) contributions to the Fund of social medical insurance, tax debts and debts on customs payments, taxes and penalties in the manner determined by the legislation of the Republic of Kazakhstan.

The order of the state revenue authority on suspension of expenditure transactions on cash desk shall be unconditionally executed by the payer by transferring incoming cash to the Fund not later than one working day following the day their receipt.

The form of the order on suspension of expenditure transactions on cash desk of the payer shall be approved by the authorized agency managing for receipt of taxes and other compulsory payments to the budget.

4. The orders of the state revenue authority on suspension of expenditure transactions on bank accounts and cash desk of the payer shall be canceled by the state revenue authority that issued such orders not later than one working day following the day of repayment of debt of deductions and (or) contributions.

4-1. In case of non-payment of arrears in deductions and (or) contributions, the list of employees for whom deductions and (or) contributions are made is submitted to the state revenue body that sent the notification:

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

2) by a payer, classified as a medium risk category in accordance with the risk management system provided for by the tax legislation of the Republic of Kazakhstan - within fifteen working days from the date of delivery of the notification.

5. On the basis of the list submitted by the payer in accordance with paragraph 4-1 of this article, the state revenue body collects the amounts of arrears on deductions and (or) contributions compulsorily from the payer's bank accounts no later than five working days from the date of receipt of the list.

Debt collection on deductions and (or) contributions from the bank accounts of payers is carried out on the basis of the collection order of the state revenue body with the attachment of the list provided by the payer.

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

In the absence of money in the payer's bank account in national currency, debt collection on deductions and (or) contributions is made from the payer's bank accounts in foreign currency on the basis of collection orders issued in national currency by the state revenue bodies.

6. Banks and organizations carrying out certain types of banking operations shall be obliged to transfer the amounts of deductions and (or) contributions to the Fund through the State Corporation on the day of writing off these amounts from the payers bank accounts.

7. State revenue authorities annually shall publish the lists of taxpayers in mass media having debts of deductions and (or) contributions that have not been repaid debt within more than six months from the date of its occurrence, indicating the taxpayer identification number, last name, first name and patronymic (if available in the identity document) the manager and the amount of debts on deductions and (or) contributions.

8. For the purposes of this Article, a payer means the payers of deductions, individual entrepreneurs, private notaries, private bailiffs, lawyers, professional mediators, local executive bodies or other legal entities when paying material benefits to individual assistants in accordance with paragraph nine of subparagraph 31) of paragraph 2 of Article 319 of the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code).

**Footnote. Article 31 is in the wording of the Law of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (order of enforcement see Article 11); as amended by the Law of the Republic of Kazakhstan dated 26.12.2019 № 287-VI (shall be enforced from 01.01.2020); dated 02.01.2021 № 399-VI (shall enter into force from 01.01.2021); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).**

## **Article 32. Report on made deductions**

1. The payer being an employer, in terms established by the tax legislation of the Republic of Kazakhstan, submits a declaration on individual income tax and social tax, which reflects information on accrued contributions and (or) contributions, unless otherwise provided by the legislation of the Republic of Kazakhstan.

2. The form of the declaration and the procedure for its preparation shall be established by the tax legislation of the Republic of Kazakhstan.

3. Employers shall be obliged to keep primary records of accounted (withheld) and transferred deductions and (or) contributions for each employee in accordance with the procedure determined by the authorized body.

4. The employer is obliged to provide the employee with information about the calculated (withheld) deductions and (or) contributions to the fund with a monthly notification of the components of the wages due to him for the relevant period.

**Footnote. Article 32 as amended by the Law of the Republic of Kazakhstan dated 26.12.2019 № 287-VI (shall be enforced from 01.01.2020).**

## **Article 33. Return of overpaid (erroneously) paid deductions and (or) contributions to compulsory social medical insurance and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions to compulsory social medical insurance**

The amounts of overpaid (erroneously) paid deductions and (or) contributions and (or) penalties for untimely and (or) incomplete payment of deductions and (or) contributions by the payer shall be returned by the State Corporation in the manner determined by the authorized agency.

**Footnote. Article 33 is in the wording of the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

## **Chapter 7. PROCUREMENT OF SERVICES FOR MEDICAL ASSISTANCE IN THE SYSTEM OF COMPULSIVE SOCIAL MEDICAL INSURANCE FROM HEALTH CARE ENTITIES**

### **Article 34. The procurement procedure of services for medical assistance in the system of compulsive social medical insurance from health care entities**

1. Procurement of services for medical assistance in the system of compulsive social medical insurance from health care entities shall be carried out by the Fund in the manner determined by the authorized body, on the basis of the principles:

1) balancing the incomes in the system of compulsory social medical insurance with the obligations for providing medical assistance;

2) ensuring the territorial availability of medical assistance in the system of compulsory social medical insurance;

- 3) equality of health care entities;
- 4) fair competition;
- 5) quality and efficiency of medical services.

2. The preferential right in procurement of services for provision of medical assistance in the system of compulsory social medical insurance have health care entities:

1) passed accreditation in the field of health care in accordance with the Code of the Republic of Kazakhstan " On public health and health care system";

2) having experience in providing relevant medical assistance on the territory of the Republic of Kazakhstan continuously for three years preceding the month in which the procurement of services shall carried out.

3. Health care entities shall not be allowed to the procurement services for medical assistance in the system of compulsive social medical insurance if:

1) an official of the Fund (or his/her close relatives, husband (wife) or in law relations), having the right to make a decision, is their founder, participant or shareholder;

2) services procurement contract that concluded within the previous three years, was terminated unilaterally by the Fund due to non-performance, untimely or improper execution;

3) services procurement contract, concluded within the previous three years, was terminated unilaterally at the initiative of the health care entity;

4) financial and economic activities of health care entities suspended in accordance with the legislation of the Republic of Kazakhstan;

5) health care entities provided inaccurate data and (or) information containing false details about a legal entity activities.

4. The requirements of Paragraphs 1, 2 and 3 of this Article shall not apply to procurement of medicinal products, medical devices, pharmaceutical services, the order of which shall be determined by the Code of the Republic of Kazakhstan "On public health and health care system".

**Footnote. Article 34 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 211-VI (shall be enforced upon expiry of ten calendar days after its first official publication).**

#### **Article 35. Services procurement contract**

Medical assistance in the system of compulsory social medical insurance to consumers of medical services shall provided on terms of the services procurement contract concluded on the basis of the results of conducted procurement of services in providing of medical assistance in the system of compulsory social medical insurance between the health care entities and the Fund in accordance with this Law.

## **Article 36. Payment for services of health care entities in providing medical assistance in the system of compulsory social medical insurance**

1. Payment for services of health care entities in providing medical assistance in the system of compulsory social medical insurance shall be carried out at rates approved by the authorized body, on the basis of services delivery report and taking into account of:

1) monitoring results of contractual obligations on the quality and scope of medical services;

2) is excluded by the Law of the Republic of Kazakhstan dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

3) exercise the right to choose a health care entity by citizens in the manner provided by Article 6 of this Law.

2. Payment for the services of healthcare entities is carried out at the expense of the assets of the fund and funds from the target contribution allocated for the guaranteed volume of free medical care, based on the terms of the contract for the purchase of services.

3. Health care entities shall not have the right to demand from the Fund the reimbursement of their expenses not provided by the services procurement contract.

Footnote. Article 36 as amended by the Laws of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2018 № 208-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 19.04.2023 № 223-VII (shall be enforced from 01.01.2024).

## **Article 37. The quality assurance of medical services in the system of compulsory social medical insurance**

1. The quality of medical services in the system of compulsory social medical insurance shall be ensured by:

1) improvement of standards in the field of health care, clinical protocols and algorithms for the organization of medical assistance;

2) accreditation of medical organizations;

3) internal quality control of medical services;

4) extended education of medical employees;

5) state control in the field of providing medical services.

2. The quality assurance measures of medical services in providing medical assistance in the system of compulsory social medical insurance specified in paragraph 1 of this Article shall be established by the Code of the Republic of Kazakhstan "On public health and health care system".

## **Article 38. Grounds and procedure for termination of services procurement contract**



1. Nonperformance, untimely or improper performance by health care entities of conditions of the services procurement contract shall be the grounds for its termination by the Fund unilaterally.

2. The grounds for termination of the services procurement contract shall be also:

1) nonperformance by health care entities of the requirements of paragraph 2 of Article 16 of this Law;

2) a material violation of the terms of the services procurement contract by health care entities;

3) other cases provided by the legislation of the Republic of Kazakhstan and the services procurement contract.

3. The termination of the services procurement contract in the cases provided by paragraph 2 of this Article shall be executed by sending an appropriate notification of termination of the contract.

4. In case of services procurement contract termination on the grounds provided by this Article, the procurement of services shall be carried out repeatedly for the non-performed (improper performed) scope of obligations under the contract.

#### **Chapter 8. TRANSITIONAL AND FINAL PROVISIONS Article 39. Responsibility for violation of the legislation of the Republic of Kazakhstan on compulsory social medical insurance**

Violation of the legislation of the Republic of Kazakhstan on compulsory social medical insurance shall entail responsibility in accordance with the laws of the Republic of Kazakhstan.

#### **Article 40. Transitional provisions**

It should be established that from January 1 to July 1, 2020, the right to medical care in the system of compulsory social health insurance applies to all persons, including persons for whom contributions and (or) contributions to the fund were not received.

Establish that until July 1, 2021, independent payers pay contributions to the fund for at least three consecutive months preceding the date of receipt of medical care.

**Footnote .Article 40 is in the wording of the Law of the Republic of Kazakhstan dated 30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Laws of the Republic of Kazakhstan dated 25.12.2017 № 122-VI (shall be enforced from 01.01.2018); dated 07.07.2020 № 361-VI (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication).**

#### **Article 41. The order for enforcement of this Law**

1. This Law shall be enforced from March 1, 2016, with exception for:  
Article 5, paragraph 1, which shall enter into force from 1 July 2020;  
paragraphs 2–4 of the Article 5, of the Articles 6 and 7, which shall be enforced from  
March, 1 2020.

2. Establish, that part two of paragraph 3 of the Article 5 of this Law shall be in effect until  
December 31, 2020.

3. To establish that paragraph 2-2 of Article 5 of this Law shall be valid until July 1, 2021.

4. Suspend until July 1, 2021 the operation of subparagraph 6) paragraph 6 of Article 30  
of this Law.

**Footnote. Article 41 is in the wording of the Law of the Republic of Kazakhstan dated  
30.06.2017 № 80-VI (shall be enforced upon expiry of ten calendar days after its first official  
publication); as amended by the Laws of the Republic of Kazakhstan dated 25.12.2017 №  
122-VI (shall be enforced from 01.01.2018); dated 07.07.2020 № 361-VI (shall enter into  
force upon expiry of ten calendar days after the day of its first official publication); dated  
24.06.2021 № 52-VII (shall enter into force upon expiry of ten calendar days after the day of  
its first official publication).**

*The President  
of the Republic of Kazakhstan*

*N. NAZARBAYEV*