

LAW No. 57 OF 13th JUNE 2005 OF THE REPUBLIC OF KAZAKHSTAN

“ON CURRENCY REGULATION AND CURRENCY CONTROL”

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AMENDMENTS AND ADDITIONS INTRODUCED BY:

1) *Law No. 224 of 12th January 2007 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of National Registers of Identification Numbers. (Articles: 10, 29). Effective date n/a;*

2) *Law No. 101 of 10th December 2008 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of Taxation. (Articles: 1, 12). Effective January 1, 2009;*

3) *Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control. (Articles: 1 replaced, 5, 6, 8, 9 replaced, 10, 12 replaced, 13, 16, 17 replaced, 18, 20, 22, 24, 25, 28, 29, 31, 32 replaced). Effective date n/a;*

4) *Law No. 297-IV of 30th June 2010 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Customs Regulation and Taxation. (Articles 16, 18). Effective date July 1, 2010; and*

5) *Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.*

This Law regulates public relations arising in the exercising by residents and nonresidents of the rights to currency valuables, and determines the objectives, tasks, and procedure for currency regulation and currency control.

CHAPTER 1. GENERAL PROVISIONS

Amended by 2) Law No. 101 of 10th December 2008 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of Taxation.

Repealed by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control;

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

Article 1. The Fundamental Definitions Used in This Law

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

The following fundamental definitions are used in this Law:

1) exchange offices — specially equipped places to make exchange transactions in foreign currency;

2) currency — monetary units accepted by countries as a legal payment mean, or official standards of the value in cash and cashless forms, in the form of banknotes, treasury notes and coins, particularly made of precious metals (including those which are withdrawn or under withdrawing from circulation but which are subject to exchange to monetary symbols that are in circulation), and also funds on accounts, including in international monetary or settlement units;

3) currency values:

foreign currency;

securities and payment documents whose nominal value is expressed in foreign currency;

securities having no nominal value that are issued by non-residents;

refined gold in bars;

national currency, securities and payment documents whose nominal value is in the national currency where transactions in them are made between residents and non-residents, as well as between non-residents;

securities having no nominal value that are issued by residents in the event that transactions in them are made between residents and non-residents, as well as between non-residents;

4) currency transactions:

transactions relating to the transfer of the right of ownership and other rights in respect of currency value, and also the use of currency values as a mean of payment;

importation, remittance and transfer to the Republic of Kazakhstan, and also exportation, remittance and transfer from the Republic of Kazakhstan of currency values, national currency, securities and payment documents whose nominal value is in the national currency, securities having no nominal value that are issued by residents;

5) currency agreement — an agreement, foundation documents, including amendments and additions to them, and also other documents on the basis and (or) in fulfilment of which currency transactions are performed;

5-1) account number of contract is the registration number designed to provide accounting and reporting of currency transactions assigned by an authorized bank to currency agreement for import\export operations;

6) commercial credits — deferral of payment or preliminary payment (advance payment) in respect of export or import which is made directly between suppliers (sellers) and recipients (buyers) of goods (work, services);

7) financial loans:

loans (except for commercial credits);

deposit accounts (deposits) at banks placed by their subsidiary organisations which are organised abroad for the purposes of attracting funds in international capital markets;

money transferred as a security of fulfilment of debtor's liabilities;

financing by third persons purchases of goods (work, services) and other transactions, and also fulfilling by third persons debtor's liabilities to a creditor, as a result of which the person for whom the liability was fulfilled has emerged an obligation relating to refunding the money and other assets with interest or without the same to the person which granted such financing and (or) which performed such fulfilment;

financial lease, and also rent of real estate (except for movable items that are equated to or recognised by the legislative acts of the Republic of Kazakhstan as real estate) with further purchase;

8)*[repealed by 5]*;

9) non-residents:

natural persons, legal entities, their branches and representations which are not specified in subparagraph 10) of this Article;

international organisations, unless international (interstate) agreements on them determine otherwise;

diplomatic and other official representations of foreign countries;

10) residents:

citizens of the Republic of Kazakhstan, including those who stay temporarily abroad and who are on the civil service of the Republic of Kazakhstan beyond its boundaries, except for citizens of the Republic of Kazakhstan having documents for the right of permanent residence in foreign countries issued in accordance with legislation of said countries;

foreigners and stateless persons having documents for the right of permanent residence in the Republic of Kazakhstan;

all legal entities organised in accordance with the legislation of the Republic of Kazakhstan, with the place of location in the territory of the Republic of Kazakhstan, and also their branches and representations with the place of location in the Republic of Kazakhstan and beyond its boundaries;

diplomatic, trade and other official representations of the Republic of Kazakhstan situating beyond the boundaries of the Republic of Kazakhstan;

11) direct investments:

investment of money, securities, things, property rights, including rights to results of intellectual creative activity, and other assets in payment for shares (contributions of participants) in a legal entity, if the person making such investment holds or will hold as a result of such investment ten and more per cent of voting shares (ten and more per cent of votes of the total number of votes of participants) in the said legal entity;

investment of assets which leads to an increase in capital other than the charter capital of a legal entity, which is made by a person that holds ten and more per cent of voting shares (ten and more per cent of votes of the total number of votes of participants) in the said legal entity;

12) authorised banks — banks and organisations carrying out certain types of banking transactions organised in the Republic of Kazakhstan which make currency transactions, including under orders of clients, except for those which are specified in subparagraph 13) of this Article;

13) authorised organisations — legal entities organised in accordance with the legislation of the Republic of Kazakhstan whose exclusive type of activity is organisation of exchange transactions in foreign currency;

14) national currency — the currency of the Republic of Kazakhstan;

15) foreign currency — currency of a foreign country, and also international monetary or settlement units;

16) foreign banks — banks and other financial institutes organised beyond the boundaries of the Republic of Kazakhstan and having the right to make banking transactions under legislation of countries in which they are registered;

17) export (import) — selling of goods, performance of work, rendering of services by a resident to a non-resident (by a non-resident to a resident).

Article 2. Currency Legislation of the Republic of Kazakhstan

1. The currency legislation of the Republic of Kazakhstan 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. Where an international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Law, the rules of the international treaty shall prevail.

Article 3. Scope of Application of this Law

1. The Law shall apply in the territory of the Republic of Kazakhstan and shall apply to residents of the Republic of Kazakhstan and nonresidents who carry out currency transactions in the territory of the Republic of Kazakhstan.

The Law shall apply to residents of the Republic of Kazakhstan outside the boundaries of the Republic of Kazakhstan.

CHAPTER 2. CURRENCY REGULATION

Article 4. Objectives and Tasks of Currency Regulation

1. The objective of currency regulation shall be the assistance to state policy for attainment of steady economical growth and providing of economic security.
2. The tasks of currency regulation shall be as follows:
 - 1) establishment of the procedure for circulation of currency valuables in the Republic of Kazakhstan;
 - 2) creation of conditions for further integration of the Republic of Kazakhstan to the world economy;
 - 3) providing information database of currency transactions and capital flows.

Article 5. Bodies of Currency Regulation

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. The main body of currency regulation in the Republic of Kazakhstan shall be the National Bank of the Republic of Kazakhstan.
2. The Government of the Republic of Kazakhstan and other state bodies shall carry out currency regulation within their competence.
3. The National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan shall, in accordance with this Law and within their competence, issue regulatory legal acts binding for residents and nonresidents.

Regulatory legal acts on the issues of currency regulation developed by the bodies of currency regulation shall be subject to obligatory approval with the National Bank of the Republic of Kazakhstan.

4. The National Bank of the Republic of Kazakhstan as the main body of currency regulation shall establish:

~~4); [repealed by 3]~~

- 1) the procedure for and requirements for carrying out activity relating to organisation of exchange transactions in foreign currency;
- 2) procedure for the performance by residents and nonresidents of currency transactions, including the regimes of currency regulation:
 - licensing;
 - registration;
 - notification;

3) procedure for the performance of monitoring currency transactions of nonresidents who perform the activities in the territory of the Republic of Kazakhstan (currency monitoring);

4) forms of accounting and reporting with respect to currency transactions obligatory for the implementation by all residents and nonresidents by agreement with the authorized state bodies in accordance with their competence.

The currency transactions with respect to which this Law does not establish the procedure for their performance, shall be carried out without any restrictions.

Article 6. Requirements for Carrying out Activity Relating to Organisation of Exchange Transactions in Foreign Currency [*modified by 3*]

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

~~1. [repealed by 3]~~

~~1)-; [repealed by 3]~~

~~2)-. [repealed by 3]~~

1. The National Bank of the Republic of Kazakhstan shall issue licences to authorised organisations for carrying out activity relating to organisation of exchange transactions in foreign currency.

2. The National Bank of the Republic of Kazakhstan shall establish the procedure for carrying out and qualification requirements for activity relating to organisation of exchange transactions in foreign currency, and also the procedure for registration (opening) of exchange offices. In the registration of an exchange office a document of the established sample – registration certificate of the exchange office shall be issued. For the authorized organizations there additionally shall be established the procedure for agreeing of the foundation documents, requirements to the membership of the founders, organizational and legal form, the size of, and the procedure for, the formation of the charter capital, restrictions for the establishment of subdivisions and participation in other legal entities.

3. For the obtaining licenses, residents, in addition to documents determined in accordance with the Law of the Republic of Kazakhstan «On Licensing», shall submit to the National Bank of the Republic of Kazakhstan documents from those provided for in subparagraphs 8) to 9) of part one of Article 10 of this Law on the terms and in the procedure established by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

4. Licenses for the performance of the activities relating to organisation of exchange transactions in foreign currency or the refusal of the issue of the license shall be issued within thirty working days from the date when the resident submits the entire package of documents.

In the refusal of the issue of a license, the applicant shall be given a motivated response in writing.

5. The following shall be grounds for the refusal to issue a license:

1) failure to submit documents or any other information provided for in accordance with this Law;

2) incompliance of the applicant with the requirements established in accordance with this Law;

3) other grounds provided for by legislative acts of the Republic of Kazakhstan.

6. A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the forms of, and the procedure for, submission of information on the activities for the performance of which the license is obtained.

Article 7. Licensing of Currency Transactions

1. The National Bank of the Republic of Kazakhstan shall issue licenses for currency transactions provided for by Chapter 4 of this Law.

2. A resident-participant of a currency transaction shall apply for obtaining a license prior to opening an account or prior to the commencement of the performance of obligations under a contract by one of the parties or within thirty calendar days from the day of expiration of the deadline established in part two of paragraph 5, paragraph 7 of Article 20, and subparagraph 2) of paragraph 3 of Article 25 of this Law.

3. Residents for obtaining licenses shall, in addition to the documents determined in accordance with the Law of the Republic of Kazakhstan «On Licensing», submit to the National Bank of the Republic of Kazakhstan documents provided for in subparagraphs 1) to 8), 10) of part one of Article 10 of this Law on the terms of and in the procedure for as established by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan may additionally request documents which are referenced to in the submitted documents.

4. The National Bank of the Republic of Kazakhstan shall establish in the regulatory legal act the following requirements:

1) with respect to the volumes of currency transactions subject to be licensed in accordance with paragraph 3 of Article 22 of this Law;

2) with respect to the terms of a transaction between a resident and a nonresident who has the right to perform the professional activity in the securities market under the legislation of the state where he is registered, stipulating the

performance, under the instructions and in the interest of and at the expense of the client-resident, of the transactions subject to be licensed in accordance with paragraph 2 of Article 22 of this Law;

3) submission of the substantiation of the absence of the possibility of performance of currency transactions through the accounts at the authorized banks with respect to transactions subject to be licensed in accordance with Article 25 of this Law.

5. The following shall be the grounds for the refusal to issue a license:

1) failure to submit documents or any other information provided for in accordance with this Law;

2) incompliance of the performed currency transaction with the legislation of the Republic of Kazakhstan;

3) incompliance of the performed currency transaction and/or applicant with the requirements as established in accordance with this Law;

4) existence of tax arrears, overdue debts with respect to the loans extended at the expense of budgetary funds, governmental external loans, and under claims arising due to the implementation of state guarantees – with respect to the currency transactions subject to be licensed in accordance with Articles 22 and 25 of this Law;

5) other grounds provided for by legislative acts of the Republic of Kazakhstan.

In the refusal to issue a license the applicant shall be given a motivated response in writing with the indication of the grounds for the refusal.

6. A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the minimum amount of currency transaction subject to be licensed, as well as the forms of and the procedure for providing the information on the currency transaction in accordance with the issued license.

Article 8. Registration mode

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. The National Bank of the Republic of Kazakhstan shall carry out the registration of currency transactions indicated in Chapter 4 of this Law.

2. The regime of registration shall include the registration of a currency contract and subsequent presentation by the resident of information on the registered currency contract.

3. The resident participant in the currency transaction shall be obliged to petition to the National Bank of the Republic of Kazakhstan for registration:

1) in the event that the registration regime applies to the currency agreement from the very beginning — prior to the beginning of fulfilment of obligations by either of the parties;

2) in the event that fulfilment of an obligation of either of the parties entails application of the registration regime to the currency agreement — prior to the beginning of fulfilment of such an obligation;

3) in the event that the registration regime applies to the currency agreement as a result of introduction of amendments and (or) additions to it and where it is necessary to fulfil obligations by either of the parties within thirty calendar days from the date when the registration regime becomes due in respect of the currency agreement — prior to the beginning of fulfilment of such obligations;

3-1 If a resident is a party of the currency agreement to which the Registration mode is obligatory as a result of assignment of a claim or transfer of debt, he/she must apply to the National Bank of Kazakhstan in order to be registered not later than thirty calendar days from the date of the relevant transaction;

4) in other cases — not later than thirty calendar days from the date when the registration regime becomes due in respect of the currency agreement.

4. For registration of currency transactions, residents shall submit to the National Bank of the Republic of Kazakhstan documents from those provided for in subparagraphs 1) to 4), 10) of part one of Article 10 of this Law on the terms of and in the procedure for established by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan may additionally request documents which are referenced to in the submitted documents.

5. Registration shall be carried out within ten calendar days from the day when the resident submits the entire package of documents.

In the registration of a currency contract the applicant shall be issued a document of the established sample – the registration certificate.

6. The refusal of registration shall be made in the following cases:

1) submission of unreliable information or failure to submit the information provided for in accordance with this Law;

2) incompliance of the performed transaction with the legislation of the Republic of Kazakhstan.

7. The regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish limit quantities in relation to a transaction amount in case of excess of which currency agreements are subject to registration, as well as striking off the registration regime in relation to which the National Bank of the Republic of Kazakhstan has the right to establish a notification regime.

Article 9. Notification mode

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. The notification regime shall comprise the submission to the National Bank of the Republic of Kazakhstan according to the established form of information on currency agreements by resident participants in currency transactions and (or) authorised banks, and also professional participants in the securities market that make currency transactions under orders of clients, and further submission of information on made transactions and concerning amendments to currency agreements.

For authorised banks and professional participants in the securities market, and also in other cases established by the regulatory legal act of the National Bank of the Republic of Kazakhstan it shall be allowed to notify concerning the making of currency transactions in the form of reports to the National Bank of the Republic of Kazakhstan on the regular basis.

2. If in relation to currency transactions that are subject to notification no requirement is established concerning notification of reports on the regular basis, resident participants in currency transactions shall be obliged to notify the National Bank of the Republic of Kazakhstan after the conclusion of the currency agreement, but not later than in seven working days from the date of the beginning of fulfilment of obligations under it by either of the parties. In the event that the notification procedure becomes due in respect of the currency agreement during the process of fulfilment of obligations under it, it shall be done not later than in thirty calendar days from the date when currency transactions that are performed under the currency agreement become subject to notification.

Where an account is opened at a foreign bank, notification shall be made in cases and timing which are established in paragraph 2 of Article 25 of this Law.

If a resident is a party of the currency agreement to which the Registration mode is obligatory as a result of assignment of a claim or transfer of debt, he/she must apply to the National Bank of Kazakhstan in order to be registered not later than thirty calendar days from the date of the conclusion of relevant transaction.

3. Confirmation of notification, except for cases of notification in the form of reports on the regular basis, shall be made by the National Bank of the Republic of Kazakhstan upon the expiration of seven working days from the date of submission by the resident of information on the currency agreement. In this case the resident

participant in the currency transaction shall be issued a document of the established model that is a notification certificate.

4. For the purposes of determining circumstances of the making of currency transactions the National Bank of the Republic of Kazakhstan shall have the right to require a currency agreement on the basis of which currency transactions are made.

5. Authorised banks and (or) professional participants in the securities market when having no notification certificate shall make currency transactions of clients having notified the National Bank of the Republic of Kazakhstan in accordance with the procedure established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

6. The regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish limit quantities in relation to a transaction amount in case of excess of which currency agreements shall be subject to notification, the form of and procedure for notification, and also striking off the notification regime.

Article 10. Documents Required for Obtaining a License and Registration Certificate

Amended by 1) Law No. 224 of 12th January 2007 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of National Registers of Identification Numbers;

3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

In accordance with the requirements to the performance of the activities relating to organisation of currency transactions in foreign currency [modified by 3] and also in accordance with the requirements of the regimes of currency regulation established in this Law, residents shall submit to the National Bank of the Republic of Kazakhstan the following documents:

- 1) application;
- 2) copy of the currency contract stitched and certified by a signature (for natural persons and legal entities) and a seal (for legal entities);
- 3) copy of a document certifying the identity (for natural persons who perform the currency transaction);
- 4) copy of the certificate of state registration of a legal entity (for legal entities);
- 5) the copy of charter documents (if the original charter documents are not given for checking, the notarized forms of the documents shall be submitted) – for legal entities;

~~6); [repealed by 1]~~

7) [repealed by 5]

8) documents confirming the compliance of the applicant with the requirements, including qualification requirements as established by this Law and regulatory legal acts of the National Bank of the Republic of Kazakhstan;

9) reference document of the bank on the existence with the resident of a foreign currency account;

10) copies of documents confirming the arising, implementation, and termination of obligations under the currency contract.

The National Bank of the Republic of Kazakhstan may request from the resident for familiarization the originals of the documents indicated in this Article.

Documents in a foreign language shall be submitted to the National Bank of the Republic of Kazakhstan with translation in the state or Russian language. [introduced by 3]

Article 11. Currency Monitoring

1. The National Bank of the Republic of Kazakhstan shall carry out currency monitoring for the purpose of evaluating the stability of balance of payments of the Republic of Kazakhstan.

The basic tasks of currency monitoring shall be:

1) creation of information database of currency transactions carried out by subjects of currency monitoring;

2) improvement of statistics, analysis and forecast of the balance of payment, external debt, and international investment position of the Republic of Kazakhstan.

2. The objects of currency monitoring shall be branches and representative offices of legal entities-nonresidents operating in the territory of the Republic of Kazakhstan for more than one year.

The National Bank of the Republic of Kazakhstan shall determine the types of activity to which currency monitoring applies.

3. Currency monitoring shall be carried out by the method of collection from the objects of currency monitoring of information on their currency transactions with residents and nonresidents with respect to the realized projects in accordance with the established forms of reporting.

4. A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the deadlines and forms of reporting for the performance of currency monitoring.

Article 12. Repatriation of National and Foreign Currency

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Repatriation of national and foreign currency shall constitute the placement on bank accounts at authorised banks of:

1) proceeds in national and foreign currency from export of goods (work, services);

2) national and foreign currency transferred by the resident for the benefit of a non-resident to make settlements on import of goods (work, services) in case of non-fulfilment or incomplete fulfilment of obligations by the non-resident.

The resident shall be obliged to ensure the fulfilment of the requirement concerning repatriation of national and foreign currency within the repatriation term. The repatriation term shall be a period of time that is calculated by the resident basing on conditions of fulfilment of obligations by the parties under the currency agreement and in accordance with the procedure established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

Authorised banks making currency transactions of residents shall have the right to require from the resident exact determination or more precise determination of the repatriation term.

2. The requirement concerning repatriation in accordance with this Law shall be considered as partially or completely fulfilled in cases of:

1) discharge of the obligation of the non-resident by offset of the counter similar claim;

2) discharge of the obligation of the non-resident by replacement of the primary obligation which existed between them, by another obligation between the same persons that provides for another item or method of fulfilment;

3) receipt of an insurance payment in case of the occurrence of an insurance case under agreements of insurance of the risk of non-fulfilment of obligations by the non-resident;

4) actual placement of national and foreign currency on resident's accounts at foreign banks that are designated for security of resident's obligations in accordance with conditions of the loan attracted from the non-resident or for support of activity of affiliates and representations of the resident opened abroad.

3. Where the resident assigns to another resident the right of claim to the non-resident, the appropriate obligation in respect of security of fulfilment of the

requirement concerning repatriation by the established time shall be transferred to the resident which accepted the right of claim.

4. The National Bank of the Republic of Kazakhstan shall establish standard rules and conditions of obtaining by residents an account number of contract in respect of export and import and the procedure for performance of export-import currency control for the purposes of securing fulfilment by residents of the requirement concerning repatriation, and also the limit quantity in relation to a transaction amount in case of excess of which an account number of contract is required.

5. For the purposes of control over repatriation of national and foreign currency, currency agreements must obligatory provide for timing of fulfilment of obligations by non-residents.

In case of change of timing of fulfilment of obligations, occurrence of other circumstances influencing on the established timing of repatriation residents shall be obliged to notify authorised banks and (or) the National Bank of the Republic of Kazakhstan having submitted appropriate bases and confirming documents.

6. Supervision of fulfilment of requirements of this Article and bases of non-return of currency funds shall be performed by the National Bank of the Republic of Kazakhstan together with the tax service authorities, customs and law-enforcing authorities, in particular through mutual exchange of information.

CHAPTER 3. BASIC PRINCIPLES OF PERFORMANCE OF CURRENCY TRANSACTIONS

Article 13. Currency Transactions Between Residents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

Currency transactions between residents shall be prohibited, except for:

1) transactions, one of the parties to which is the National Bank of the Republic of Kazakhstan and/or the Ministry of Finance of the Republic of Kazakhstan;

2) transactions with currency valuables referred to banking transactions and other transactions which may be carried out by the authorized banks and authorized organizations in accordance with licenses issued to them and/or legislative acts of the Republic of Kazakhstan;

3) payment for banking services for the performance of currency transactions and also payment of forfeit (penalties, fines) under contracts providing for rendering banking services in a foreign currency;

- 4) transactions relating to purchase, sale, payment of interest and (or) redemption of securities whose nominal value is expressed in foreign currency;
- 4-1) transactions relating to purchase and sale of refined gold in bars;
- 5) payments and transfer of money under contracts of commission agency related to carrying out export (import), in the use of transferable letter of credit as a form of payment;
- 6) remittance of bills of exchange expressed in foreign currency for collection as the implementation of pecuniary liabilities;
- 7) transactions relating to settlements where goods are sold through duty free shops, and also if goods are sold and services are rendered to passengers during trips in international carriages;
- 8) transactions during the payment of the costs of an individual person's trip outside the Republic of Kazakhstan including representational expenses, as well as transactions during the repayment of unspent advance money given in connection with a trip outside the Republic of Kazakhstan;
- 9) free-of-charge transfer of money or free-of-charge transfer of currency valuables by natural persons to natural persons and also to legal entities which charter activities are directed toward the performance of charitable activities;
- 10) placing of banking deposits by natural persons in favor of other natural persons;
- 11) transactions related to the payment of taxes and other obligatory payments to the budget in the cases provided for by legislative acts of the Republic of Kazakhstan.

Article 14. Currency Transactions between Residents and Nonresidents

1. Residents may perform transactions with nonresidents in the national and/or foreign currency by agreement of the parties in accordance with the currency legislation of the Republic of Kazakhstan.
2. Residents may issue bills of exchange expressed in foreign currency under transactions with nonresidents.
3. Nonresidents may, without restrictions, receive and transfer dividends, remuneration and other income received under contributions (deposits), securities, borrowing and other currency transactions with residents carried out in the procedure as provided for by this Law.
4. Where in respect to currency transactions indicated in Articles 20 to 24 of this Law, the regimes of currency regulation are not established, currency transactions between residents and nonresidents shall be carried out without restrictions in the procedure as established by the National Bank of the Republic of Kazakhstan, which may establish the regime of notification.

The regimes of currency regulation established by this Law shall not apply to currency transactions with nonresidents, one of the parties to which is the National Bank of the Republic of Kazakhstan and/or the Ministry of Finance of the Republic of Kazakhstan.

Article 15. Currency Transactions Between Nonresidents

1. Currency transactions between nonresidents in the territory of the Republic of Kazakhstan shall be carried out without any restrictions subject to the requirements established by Article 16 of this Law.

2. Restrictions on the performance of currency transactions between nonresidents in the territory of the Republic of Kazakhstan may be imposed only in the cases provided for by Article 32 of this Law.

Article 16. Payments and Transfer of Money under Currency Transactions of Residents and Nonresidents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control;

4) Law No. 297-IV of 30th June 2010 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Customs Regulation and Taxation.

Amended by 5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Payments and transfer of money under currency transactions of residents and nonresidents shall be carried out through the bank accounts at the authorized banks, except for:

1) payments and transfer of money of natural persons and also payments and transfer of money in their favor in the national currency in the territory of the Republic of Kazakhstan;

2) transfer of money of natural persons carried out without opening of the bank accounts at the authorized banks in accordance with paragraph 3 of this Article;

3) settlements in case of selling goods at duty free shops, and also when selling goods and rendering services to passengers during trips in international carriages;

4) payments between natural persons and the authorized banks or authorized organizations carried out through their exchange offices;

5) payments by legal entities – residents of salaries to employees – nonresidents and also by legal entities – nonresidents of salaries to employees – residents and nonresidents in foreign currency;

6) transactions during the payment of the costs of an individual person's trip outside the Republic of Kazakhstan including representational expenses, as well as transactions during the repayment of unspent advance money given in connection with a trip outside the Republic of Kazakhstan;

7) payments between natural persons and legal entities – nonresidents which carry out their activities under the customs control in airports, ports, and border crossing points opened for international conveyance;

7-1) payments between non residents and legal entities -residents for the court service of foreign countries at the airports and seaports in the territory of the Republic of Kazakhstan, as well as the payments of non residents for Air Navigation services, Airport operations and services of seaports on international passage services;

Regulations of the first part of this paragraph are not obligatory on transactions in case the National Bank of the Republic of Kazakhstan acts as one Party of the transaction.

8) payments between legal entities – residents and nonresidents which carry out their activities in the territory of the Republic of Kazakhstan, in the national currency, within the amounts as established by the legislation of the Republic of Kazakhstan on payments and transfer of money;

9) payments by the issue (transfer) of checks, bills of exchange;

10) payments and remittances of money under transactions with non-residents which are made through accounts at foreign banks that are opened by residents in accordance with the procedure established by this Law, and also payments and remittances of money through correspondent accounts of authorised banks at foreign banks;

11) transfer of money from the accounts of nonresidents at foreign banks carried out on account of the implementation of obligations of the resident in the cases provided for by a regulatory legal act of the National Bank of the Republic of Kazakhstan.

Cash foreign currency received by legal entities – residents and nonresidents in the performance of currency transactions in the territory of the Republic of Kazakhstan shall be subject to obligatory placing to the bank accounts at the authorized banks.

2. Payments in the territory of the Republic of Kazakhstan under currency transactions in relation to which this Law defines the requirement concerning registration, notification or obtaining an account number of contract, shall be made in the cashless form.

3. Natural persons – residents and nonresidents within the limits of the established amount may, without the opening of the accounts at the authorized banks, carry out:

1) free-of-charge transfer of money in the territory of the Republic of Kazakhstan, from the Republic of Kazakhstan, and to the Republic of Kazakhstan (tax, license fees, penalties, transfer of amounts of inheritance, alimonies, grants and others);

2) other transfers of money from the Republic of Kazakhstan not related to the performance by a natural person of entrepreneurial activities and with respect to which the requirement for obtaining an account number of contract *[modified by 5]*, registration, notification is not determined in accordance with this Law.

4. The procedure for the use and placing to the bank *[introduced by 3]* account of cash foreign currency by residents and nonresidents, and also the amount and the procedure for carrying out transfers of money without opening a bank account shall be established by regulatory legal acts of the National Bank of the Republic of Kazakhstan.

Article 17. Purchase and Sale of Foreign Currency

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. Authorised banks having the right to organise exchange transactions in foreign currency in accordance with a licence issued to them or the right granted by the laws of the Republic of Kazakhstan, shall have the right to sell and purchase foreign currency both in the Republic of Kazakhstan and abroad.

2. Sale and purchase of foreign currency in the Republic of Kazakhstan shall be performed by residents and non-residents exclusively at authorised banks having the right to organise exchange transactions in foreign currency, through exchange offices of such authorised banks, and also exchange offices of authorised organisations in accordance with the procedure established by the National Bank of the Republic of Kazakhstan.

Article 18. Import into the Republic of Kazakhstan and export from the Republic of Kazakhstan currency values, national currency, securities and payment documents that their par value and (or) cost are denominated in the national currency, and those that have no par value of securities issued by residents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control;

4) Law No. 297-IV of 30th June 2010 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Customs Regulation and Taxation;

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Import into the Republic of Kazakhstan and export from the Republic of Kazakhstan foreign currency in cash, national currency in cash, documented securities and payment documents are carried out by residents and non residents without any limit in case it is carried out in accordance with the Customs Law of the Customs Union and (or) of the Republic of Kazakhstan.

2. Natural persons have right to import to the Republic of Kazakhstan or to export from the Republic of Kazakhstan without customs declaration foreign currency in cash and (or) national currency in cash (except the coins made of precious metals) and travel's checks in sum equal or not exceeding ten thousand US dollars equivalent.

3. Import by a natural person to the Republic of Kazakhstan or export by an natural person from the Republic of Kazakhstan foreign currency in cash and (or) national currency in cash (except the coins made of precious metals) and travel's checks in sum exceeding ten thousand US dollars equivalent shall be declared to the customs body of the republic of Kazakhstan except the cases of import and export done from/to territory that is an integral part of the customs territory of the Customs Union.

Customs declaration is carried out by submitting a customs declaration in written form declaring the full amount of imported or exported foreign currency in cash, national currency in cash and traveler's checks with details about the origin and destination of transferring cash and traveler's checks.

4. Import into the Republic of Kazakhstan or exported from the Republic of Kazakhstan by a natural person the documented securities for bearer, promissory notes, checks (except traveler's checks) shall be a mandatory customs declaration to the customs bodies of the Republic of Kazakhstan, except the cases of import and export done from/to territory that is an integral part of the customs territory of the Customs Union.

5. Import into the Republic of Kazakhstan or export from the Republic of Kazakhstan to the territory or from the territory that is not integral part of the customs territory of the Customs Union the refined gold bars, as well as coins made of precious metals that are legal payment means are carried out in accordance with the Customs Law of the Customs Union and (or) of the Republic of Kazakhstan.

Article 19. Obligations to Submit Information and Documents

1. Residents and nonresidents who carry out the activities in the territory of the Republic of Kazakhstan shall submit to the bodies of currency regulation and control, and to the agents of currency control the reporting, information, and documents on the currency transactions performed by them in order to implement the requirements as established by this Law.

2. Residents and nonresidents shall, pursuant to the inquiry of the authorized banks, indicate the purpose of payments and transfer of money with respect to the currency transactions performed through them, and also submit documents confirming the indicated objectives of payments and transfer of money for the purpose of implementing the requirements established by this Law.

CHAPTER 4. OPERATIONS OF CAPITAL MOVEMENT AND OPENING OF ACCOUNTS

Article 20. Settlements under Export (Import)

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Currency for the payment for export of goods (work, services) shall be received by residents and entered to the accounts at the authorized banks within 180 days from the day of export of goods (work, services) or within 365 days from the day of export of certain goods which list is established by the Government of the Republic of Kazakhstan.

On the basis of a license of the National Bank of the Republic of Kazakhstan for opening an account at the foreign bank it shall be allowed to place the currency received by the residents as the payment for export of goods (work, services) to their accounts at the foreign banks.

2. In the case of non-performance of obligations by the nonresident, currency transferred by a resident in favor of a nonresident for making settlements under import of goods (work, services) on the terms of a commercial loan to the nonresident, shall be received by the resident and placed to the accounts at the authorized banks not later than 180 days from the day of transfer.

3. Payments between residents and non-residents under commercial credits relating to export (import) of goods for a term over 180 days shall be made according to the registration regime.

The registration regime shall also apply to commercial credits relating to export (import) of goods and given for a term not more than 180 days in the event that the actual time of the return of funds or another fulfillment of obligations by the resident or non-resident exceeds 180 days.

3-1. Payments between residents and non-residents when making settlements on export (import) of work, services shall be effected according to the notification regime. Notification shall be made by the authorised bank servicing such payments.

3-2. The regimes of currency regulation shall not apply to commercial credits relating to export (import) under which it is required to obtain an account number of contract.

4. Payments between residents and nonresidents under commercial loans extended by residents to nonresidents for a period over 180 days, shall be carried out in the regime of licensing.

5. In export of goods entered into the list indicated in paragraph 1 of this Article, payments between residents and nonresidents on the terms of deferral of payment shall not be subject to licensing if a commercial loan is extended by a resident to a nonresident for a period not exceeding 365 days.

In the cases where under commercial loans extended for a period not exceeding 365 days the actual deadline for repayment of funds or other implementation of obligations by a nonresident exceeds 365 days, the payments between residents and nonresidents shall be subject to licensing in the procedure as provided for by this Law.

6. A license of the National Bank of the Republic of Kazakhstan shall grant the right to place the national and foreign currency to the accounts with the authorized banks or other implementation of obligations within the deadlines substantiated by the resident.

~~7.—[repealed by 3]~~

8. The authorized banks under contracts of commission agency between residents related to carrying out the import may open transferable letter of credits in foreign currency in favor of residents which provide for the transfer of the letter of credit in favor of nonresidents.

Article 21. Direct Investments

Direct investments of nonresidents to the Republic of Kazakhstan and residents abroad shall be carried out in the regime of registration.

Article 22. Participation in Charter Capital, Transactions with Securities and Derivative Financial Instruments

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Residents shall be obliged to notify the National Bank of the Republic of Kazakhstan concerning currency transactions relating to purchase of securities, money and another property in order to participate in the organization (including charter

capital) or as a payment to its property, and also concerning currency transactions relating to derivative financial instruments.

2. The acquisition by residents of securities of nonresidents, interests in investment funds-nonresidents, making by residents of contributions for the purpose of providing the interest in the charter capital of nonresidents, and also transactions with derivative financial instruments between the residents and nonresidents shall be carried out in the regime of licensing.

The provisions of this paragraph shall not apply to banks, insurance organizations, as well as organizations that carry out investment management of pension assets, and accumulation pension funds independently carrying out investment management of pension assets (in investing by them of pension assets).

3. The National Bank of the Republic of Kazakhstan shall issue licenses which give the right to perform such transactions both at the expense of own funds and at the expense of clients' funds to the organizations that carry out professional activity in the securities market for the performance of currency transactions indicated in paragraph 2 of this Article.

The provisions of this paragraph shall not apply to banks that perform the professional activities on the securities market.

4. Currency transactions, indicated in paragraph 2 of this Article, of natural persons and legal entities-residents carried out through Kazakhstan professional participants of the securities market within the scope of the license obtained by them, shall be carried out without any restrictions.

5. Currency transactions between residents and nonresidents carried out as a result of exercising of rights and obligations with respect to the underlying asset of derivative financial instruments shall be carried out in the regime of notification.

Currency transactions between residents and nonresidents carried out as a result of exercising of rights and obligations with respect to the goods which are underlying asset of derivative financial instruments shall be regulated in the procedure as provided for by Articles 12 and 20 of this Law.

6. The acquisition by nonresidents of securities of residents, including interests in the investment funds-residents, making by nonresidents of contributions for the purposes of providing for the participation in the charter capital of residents and also initial placement of securities on international capital markets, including the issue of depository receipts on securities of residents, shall be carried out in the regime of registration.

7. The provisions of this Article shall not apply to direct investments.

Article 23. Financial Loans

1. Financial loans of residents to nonresidents, and of nonresidents to residents for a period over 180 days shall be carried out in the regime of registration.

2. The regime of registration shall also apply to financial, loans extended for a period not exceeding 180 days, in the case where the actual period of repayment of funds or other implementation of obligations by a resident or nonresident exceeds 180 days.

Article 24. Other Transactions of Capital Movement

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. The following shall be referred to other transactions of capital movement:

1) acquisition of the right of ownership to immovable property, except for movable property referred by the legislative acts of the Republic of Kazakhstan to immovable property;

2) acquisition in full of exclusive right to objects of intellectual property;

3) transfer of money and other property in fulfillment of obligations of a participant of joint activities, and also in trust management.

2. Payments of residents for the benefit of non-residents, payments of non-residents for the benefit of residents relating to acquisition of the right of ownership of real estate, and also transfer of money and other assets by residents to non-residents (by non-residents to residents) in trust management shall be performed according to notification regime.

3. Payments of legal entities-residents as well as payments of nonresidents in their favor related to the acquisition in full of the right of ownership to immovable property shall be carried out in the regime of registration.

4. Payments of residents to nonresidents, payment of nonresidents in favor of residents related to the acquisition of the exclusive right to the objects of intellectual property as well as the transfer and receipt by residents of money and other property in fulfillment of obligations of a participant of joint activities shall be carried out in the regime of registration.

Article 25. Accounts of Residents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. Residents shall open banking accounts in foreign currency at the authorized banks without any restrictions, unless otherwise established by the legislative acts of the Republic of Kazakhstan.

2. Resident legal entities, except for banks and the National Post Operator, shall be obliged to notify the National Bank of the Republic of Kazakhstan concerning opening of bank accounts at foreign banks (including savings) within a period of not more than thirty calendar days from the day of conclusion of an agreement with a foreign bank.

2-1. Notification by natural persons concerning accounts at foreign banks shall not be required. Concerning volumes of remittances by resident natural persons from their accounts (to their accounts) at foreign banks the authorised bank shall notify that makes such remittances.

3. Opening by natural persons-residents of accounts at foreign banks shall be carried out in the regime of licensing, except for:

1) opening of accounts at foreign banks located in the states which are members of the Organization for Economic Cooperation and Development or Group of development of financial measures of fighting against money laundering;

2) opening of accounts at foreign banks located in other states during the staying of a natural person in their territories. Upon return to the Republic of Kazakhstan, natural persons-residents shall be obliged to close an account at the foreign bank or apply for a license.

4. Opening by legal entities-residents of accounts at foreign banks shall be carried out in the regime of licensing, except for:

1) opening of accounts by banks;

2) opening by financial organizations-residents of accounts at foreign banks for the performance of transactions with financial instruments at the international securities markets;

3) opening by legal entities-residents of accounts at foreign banks intended for the purpose of financing of costs related to the maintenance of branches and representative offices of said legal entity;

4) opening by legal entities-residents of accounts at foreign banks intended for placing funds required as the payment for the charter capital of a legal entity where this requirement is established by the legislation of the foreign state where the participation of the resident is expected;

5) opening by legal entities-residents of accounts at foreign banks intended for placing funds for the purpose of securing the obligations of residents before nonresidents under loans attracted from nonresidents.

A license of the National Bank of the Republic of Kazakhstan may establish a limit of balance of funds and terms of the use of an account at a foreign bank.

5. Opening by legal entities-residents of accounts indicated in subparagraph 3) of paragraph 4 of this Article shall be carried out in the regime of registration.

A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the terms of the use of such accounts.

Article 26. Accounts of Nonresidents

1. Nonresidents shall open banking accounts in foreign and/or national currency at the authorized banks without any restrictions.

2. Nonresidents may without any restrictions transfer foreign and/or national currency from their accounts outside the Republic of Kazakhstan to their banking accounts with the authorized banks and also from their banking accounts with the authorized banks to their accounts outside of the boundaries of the Republic of Kazakhstan.

CHAPTER 5. CURRENCY CONTROL

Article 27. The Objectives and Tasks of Currency Control

1. The objective of currency control shall be providing for compliance by residents and nonresidents of the Republic of Kazakhstan with the legislation of the Republic of Kazakhstan in the performance by them of currency transactions.

2. The tasks of currency control shall be:

1) determination of compliance of the performed currency transactions with the legislation of the Republic of Kazakhstan;

2) review of reasonableness of payments under currency transactions and availability of documents required for their performance;

3) review of the fullness and objectivity of accounting and reporting with respect to currency transactions.

Article 28. Bodies and Agents of Currency Control

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. The National Bank of the Republic of Kazakhstan, other state bodies within the limits of their competence as established by the Laws of the Republic of Kazakhstan (bodies of currency control) and agents of currency control shall carry out currency control in the Republic of Kazakhstan.

2. Agents of currency control shall be authorised banks and authorised organisations.

Article 29. Rights and Obligations of the Bodies and Agents of Currency Control

Amended by 1) Law No. 224 of 12th January 2007 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan Concerning Issues of National Registers of Identification Numbers;

3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

5) Law No.530-IV of 6 January 2012 of the Republic of Kazakhstan Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Matters of Currency Regulation and Currency Control.

1. The bodies and agents of currency control within the limits of their competence shall carry out control over currency transactions carried out by residents and nonresidents in the Republic of Kazakhstan in part of compliance of those transactions with the legislation of the Republic of Kazakhstan, with the terms of licenses, requirements to registration and notification.

2. The bodies of currency control shall within their competence:

1) carry out the reviews of compliance by residents and nonresidents with the currency legislation of the Republic of Kazakhstan;

2) carry out the review of the completeness and reliability of accounting and reporting with respect to currency transactions of residents and nonresidents;

3) request documents and information which are related to the performance of currency transactions;

4) give to agents of currency control the binding instructions for the purpose of proper performance of currency control;

5) establish the procedure for submission of reports on currency transactions;

6) submit the requirements for elimination of identified violations and take other measures provided by the legislation of the Republic of Kazakhstan which are obligatory for the implementation by all residents and nonresidents in the Republic of Kazakhstan.

3. Agents of currency control shall:

1) carry out control over compliance with the requirements of the currency legislation of the Republic of Kazakhstan in the performance by them of transactions, including pursuant to the clients' instructions;

2) provide for the completeness and objectivity of accounting and reporting with respect to currency transactions;

3) communicate to the National Bank of the Republic of Kazakhstan and also to other bodies of currency control and law enforcement bodies in accordance with their authorities as established by the laws of the Republic of Kazakhstan about the facts of

violations of the currency legislation of the Republic of Kazakhstan committed by their clients that have become known to them;

4) submit to the bodies of currency control the information on currency transactions performed with their participation in the procedure as established by the laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and regulatory legal acts of the bodies of currency regulation.

4. The bodies and agents of currency control shall in accordance with the legislation of the Republic of Kazakhstan keep commercial, banking secrets and other secret protected by law which became known to them in the exercising by them of their authorities.

5. The authorized bank shall make payments and transfer of money of a resident and/or nonresident only subject to providing by the latter of the documents required in accordance with this Law and regulatory legal acts of the National Bank of the Republic of Kazakhstan.

6. For the purpose of carrying out currency control the agents of currency control may in accordance with this Law request from residents and nonresidents in the performance by them of currency transaction:

- 1) document certifying the identity (for natural persons);
- 2) document confirming the right for permanent residence in the Republic of Kazakhstan (for foreigners and stateless persons);
- 3) foundation documents (for legal entities);
- 4) certificate of state registration (for legal entities);
- ~~5) [repealed by 1]~~
- 6) *[repealed by 5]*;
- 7) currency contract including a note on the assignment of the account number of the contract in cases established by the Regulations Acts of the National Bank of Republic of Kazakhstan;
- 8) license, registration certificate, certificate of notification in the cases as established by this Law;
- 9) *[repealed by 5]*;
- 10) documents confirming the implementation or on the basis of which it is necessary to perform obligations under transactions for export (import).

7. The authorized banks may not request the submission of documents not directly referring to the performed currency transaction.

8. The authorized banks shall not permit the performance of a currency transaction if a person fails to submit the documents required in accordance with this Law and regulatory legal acts of the bodies of currency regulation and currency control or in submission by them of unreliable documents or in the nonperformance of actions established by the currency legislation of the Republic of Kazakhstan.

Article 30. Measures of Influence and Sanctions

1. In the identification of violations of the currency legislation of the Republic of Kazakhstan by the authorized banks and authorized organizations, the National Bank of the Republic of Kazakhstan may apply the measures of influence as provided for by the laws of the Republic of Kazakhstan.

In the identification of violation of the procedure for the performance of exchange transactions with foreign currency committed by the authorized banks and authorized organizations through their exchange offices, the National Bank of the Republic of Kazakhstan may suspend the effect of the registration certificate of the exchange office up to six months.

2. In the identification of violations of the currency legislation of the Republic of Kazakhstan by licensees, the National Bank of the Republic of Kazakhstan may suspend the effect of the license.

Article 31. Rights and Obligations of Residents and Nonresidents

Amended by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. Residents and nonresidents who perform currency transactions in the Republic of Kazakhstan may:

- 1) familiarize themselves with the reference documents on the results of reviews conducted by the bodies of currency control;
- 2) appeal against the actions of the bodies and agents of currency control in the procedure as established by the legislation of the Republic of Kazakhstan;
- 3) exercise other rights provided for by the legislation of the Republic of Kazakhstan.

2. Residents and nonresidents who perform currency transactions shall:

- 1) submit to the bodies and agents of currency control all the requested documents and information on the performance of currency transactions within the deadlines established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;
- 2) provide explanations to the bodies of currency control in the course of the performance of reviews by them, and also with respect to their results;
- 3) carry out accounting and compile reporting on the performed currency transactions, providing for their keeping within a period established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;
- 4) implement requirements (instructions, prescriptions) of the bodies of currency control on the elimination of the identified violations;

5) provide access to the bodies of currency control to own premises and documents and automated databases when they perform the reviews.

3. In the cases established by this Law, residents shall in a timely manner apply and take all the required measures for obtaining a license, registration certificate, certificate of the notification of the National Bank of the Republic of Kazakhstan, and shall comply with the terms of the issued license.

CHAPTER 6. CONCLUDING PROVISIONS

Article 32. The Special Currency Regime

Introduced by 3) Law No. 167 of 4th July 2009 of the Republic of Kazakhstan. Concerning the Introduction of Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of Currency regulation and Currency Control.

1. In case of a threat to the economic safety of the Republic of Kazakhstan and stability of its financial system, if the situation may not be settled by other efforts of the economic policy, the special currency regime shall be imposed.

The special currency regime shall constitute a special regime for performance of currency transactions that stipulates a set of efforts of currency regulation, that is directed to creation of conditions for removal of threats to the economic safety of the country and stability of its financial system and allows imposition of certain currency restrictions in respect of performance by residents and non-residents of transactions relating to the use of currency values. The special currency regime shall be a temporary effort that applies exclusively for the purposes of removing circumstances which were a basis to impose it. The following shall be recognised as restrictions which may be imposed within the framework of the special currency regime:

1) a requirement concerning placement of a deposit in an amount that is determined in a per cent of amount of a currency transaction, without payment of interest, for an established term at an authorised bank or at the National Bank of the Republic of Kazakhstan;

2) a requirement concerning obtaining of a special permit of the National Bank of the Republic of Kazakhstan for performance of currency transactions;

3) a requirement concerning obligatory sale of foreign currency received by residents;

4) restrictions of the use of accounts at foreign banks, establishment of a time for the return of currency proceeds and limits to volumes, quantity and currency of settlements under currency transactions.

The President of the Republic of Kazakhstan may impose other temporary currency restrictions.

2. The special currency regime shall be imposed by the act of the President of the Republic of Kazakhstan that is prepared on the basis of joint consultations with the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan.

3. The act of the President of the Republic of Kazakhstan concerning the imposition of the special currency regime shall comprise:

1) a list of imposed efforts and temporary restrictions of performance of transactions relating to the use of currency values;

2) the procedure for fulfilling requirements of the special currency regime, in particular conditions of issue of a special permit;

3) a time of imposition and term of validity of the special currency regime.

4. The term of validity of the special currency regime may not exceed one year.

Upon the expiration of the term for which the special currency regime is imposed the special currency regime shall be considered as cancelled.

The President of the Republic of Kazakhstan shall have the right to prolong its effect within the timing established by this paragraph or cancel it ahead of time wholly or partially by issue of an appropriate act.

5. Within the period of validity of the special currency regime residents and non-residents shall be obliged to comply with requirements established by the act of the President of the Republic of Kazakhstan concerning the imposition of the special currency regime.

Article 33. Responsibility for Violation of Currency Legislation of the Republic of Kazakhstan

Violation of the currency legislation of the Republic of Kazakhstan shall entail responsibility in accordance with the laws of the Republic of Kazakhstan.

Article 34. Procedure for Entering of this Law into Force

1. This Law shall enter into force upon expiration of six months from the day of publication, except for paragraph 1 of Article 12, which will be effective from 1st January 2007.

2. The second clause of subparagraph 2) of paragraph 4 of Article 5, Article 7, paragraphs 1, 2, 4 to 6 of Article 20, paragraphs 2 to 6 of Article 22, paragraph 3 of Article 24, paragraphs 3 to 5 of Article 25 of this Law shall be in effect through 31st December 2006.

3. The Law of 24th December 1996 of the Republic of Kazakhstan «Concerning Currency Regulation» (Proceedings of the Parliament of the Republic of Kazakhstan, 1996, No. 20-21, i. 404; 1997, No. 13-14, i. 205; 1998, No. 16, i. 219; 1999, No. 20,

722; 2001, No. 4, i. 23; 2003, No. 10, i. 51; No. 11, i. 56; No. 15, i. 139) shall be recognized as invalid.

President of the Republic of Kazakhstan

N. Nazarbaev