

**LAW
OF THE REPUBLIC OF KAZAKHSTAN**

On currency regulation and currency control
(as amended and added as of 29.12.2014)

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This law regulates social relations that arise in the implementation of the rights of residents and non-residents for currency values, it defines purposes, goals and procedure for currency regulation and currency control.

Charter 1. GENERAL PROVISIONS

Article 1. Basic definitions used in this Law

The following definitions are used in this Law:

1) exchange offices - specially equipped places of exchange operations with foreign currency in cash;

2) currency means monetary units adopted by the states as legal tender, or official standards of value in cash and non-cash form, in the form of bank notes, treasury notes and coins, including those out of precious metals (including which have been or are in the process of withdrawing from circulation, but subject to exchange to the currency units in circulation), as well as funds in the accounts, including in the international monetary units and units of account;

3) currency assets: foreign currency;
securities and payment documents nominal value of which is denominated in foreign currency;

securities having no nominal value issued by non-residents;

fine gold in bullions;

national currency, securities and payment documents nominal value of which is denominated in national currency, in the case of transactions with them between residents and non-residents, and between non-residents;

securities without nominal value issued by residents, in the case of transactions with them between residents and non-residents and between non-residents;

4) currency operations:

transactions involving the transfer of ownership and other rights on currency values, as well as use of currency values as a mean of payment;

import, remittance and transfer to the Republic of Kazakhstan, as well as export, remittance and transfer from the Republic of Kazakhstan of currency values, national currency, securities and payment documents with nominal value denominated in national currency or of securities without nominal value, issued by residents;

5) Currency agreement means an agreement, constituent documents, including amendments and additions thereto, as well as other documents, based on which and/or pursuant to which currency operations are implemented;

5-1) record number of contract means reference number designated to ensure recording and reporting on currency operations assigned by the authorized bank to the currency agreement regarding export (import);

6) commercial credits means delay of payment or prepayment (advance payment) on export or import, made directly between suppliers (sellers) and beneficiaries (buyers) of goods (works, services);

7) financial loans:

loans (except for commercial credits);

bank deposits made by their subsidiaries established abroad to raise funds on the international capital markets;

money sent to secure obligations of the debtor;

financing by third parties of acquisition of goods (works, services) and other transactions, as well as the performance by third parties of the debtor's obligations to the creditor as a result of which the obligation appears duty of the person for whom his obligations were fulfilled, to repay the money and other property with remuneration or without it to the person who provided such financing, and/or performed such obligations;

financial leasing, as well as rent of real estate (except for movable property, which is regarded as equal or attributed to the real estate by the legislative acts of the Republic of Kazakhstan) with a subsequent buy-out;

8) deleted in accordance with the Law dated 06.01.12, # 530-IV

9) non-residents:

individuals, legal entities, their branches and representative offices not specified in subparagraph 10) of this Article;

international organizations, unless otherwise is determined by an international (interstate) agreement on establishing them;

diplomatic and other official representatives of foreign states;

10) residents:

citizens of the Republic of Kazakhstan, including those who are temporarily abroad or in the civil service of the Republic of Kazakhstan abroad, except for those citizens of the Republic of Kazakhstan who have the document giving right of permanent residence in a foreign country, issued in accordance with the laws of that state;

foreigners and stateless persons who have the right of permanent residence in the Republic of Kazakhstan;

all legal entities established under the laws of the Republic of Kazakhstan, having their registered offices in the territory of the Republic of Kazakhstan, as well as their branches and representative offices located in the Republic of Kazakhstan and abroad;

diplomatic, commercial and other official representative offices of the Republic of Kazakhstan, located outside the Republic of Kazakhstan;

11) direct investments:

investment of money, securities, values, property rights, including the rights on the results of intellectual creative activities, and other property in payment for the shares (contributions of participants) of the legal entity, if the person making such investments owns or as a result of such investments will own ten or more percent of the voting shares (ten percent or more of votes of the total number of members' votes) in this legal entity;

investment of property, which result in increase in capital other than the authorized capital of a legal person, made by a person who owns ten percent or more of the voting shares (ten percent or more of votes of the total number of members' votes) in this legal entity;

12) authorized banks means banks and organizations created in the Republic of Kazakhstan engaged in certain types of banking operations that conduct currency operations, including on behalf of clients, except those specified in paragraph 13) of this Article;

13) authorized organizations - legal entities established under the legislation of the Republic of Kazakhstan, the sole activity of which is the organization of exchange operations with foreign currency in cash;

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

15) foreign currency means the currency of a foreign country, as well as international monetary units or units of account;

16) foreign banks means banks and other financial institutions incorporated outside the Republic of Kazakhstan and having the right to conduct banking operations under the laws of the states in which they are registered;

17) export (import) means sale of goods, works and services by resident to non-resident (non-resident to resident).

Article 2. Currency legislation of the Republic of Kazakhstan

1. 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 legislative acts** of the Republic of Kazakhstan.

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

Article 3. Sphere of application of this Law

This Law shall be valid in the territory of the Republic of Kazakhstan and shall apply at the residents and non-residents of the Republic of Kazakhstan, carrying out currency operations in the territory of the Republic of Kazakhstan.

Outside the Republic of Kazakhstan, this law shall apply at the residents of the Republic of Kazakhstan.

Charter 2. CURRENCY REGULATION

Article 4. Goal and objectives of currency control

1. The goal of currency regulation is to promote the state policy aimed at achieving sustainable economic growth and economic security.

2. The objectives of currency regulation are:

1) establishment of a procedure for circulation of currency values in the Republic of Kazakhstan;

2) creation of conditions for further integration of Kazakhstan into the global economy;

3) provision of database on currency operations and capital flows.

Article 5. Bodies of currency regulation

1. The main body of currency regulation in the Republic of Kazakhstan is the **National Bank of the Republic of Kazakhstan**.

2. The Government of the Republic of Kazakhstan and other state authorities carry out currency regulation within the limits of their respective competences.

3. The National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan in accordance with this Law within the limits of their respective competences shall issue regulatory legal acts mandatory for residents and non-residents.

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

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

1) the procedure and requirements for the implementation of activities of organizing exchange operations with foreign currency in cash;

2) procedure for implementation of currency operations by residents and non-residents, including currency regulation regimes for:

registration;

notification;

3) **procedure** for monitoring the currency operations of non-residents, who implement their activities in the territory of the Republic of Kazakhstan (currency monitoring);

4) **forms for accounting and reporting** on currency operations, mandatory for all residents and non-residents, in coordination with the state authorities within the limits of their respective competences.

Currency operations, in respect of which this Law does not establish the procedure for their implementation, shall be implemented without restrictions.

Article 6. Requirements for the implementation of activities of organizing exchange operations with foreign currency in cash

1. Organization of exchange operations with foreign currency in cash on the territory of the Republic of Kazakhstan shall be implemented by authorized banks with the right to organize exchange operations with foreign currency, in accordance with license issued thereto or the right granted by the laws of the Republic of Kazakhstan and by authorized organizations.

2. Authorized organization operates through its exchange offices on the basis of the license issued by the National Bank of the Republic of Kazakhstan for the implementation of activities of organizing exchange operations with foreign currency in cash and appendix (appendices) to it, in which an exchange office (exchange offices) of an authorized organization shall be (are) specified.

Presence of exchange office at an authorized organization is required to obtain the license.

3. The National Bank of the Republic of Kazakhstan establishes rules for the organization of exchange operations with foreign currency in cash in the Republic of Kazakhstan, including the procedure and conditions for the licensing of authorized organizations, the requirements for the activity of organizing exchange operations with foreign currency in cash, as well as the procedure for notifying by the authorized bank on the opening, suspension, resumption of activities, the closing of exchange offices.

4. Qualification requirements for authorized organizations shall include requirements for the composition of the founders, the legal form, size and order of formation of the authorized capital, for the premises, equipment and staff of exchange offices, as well as restrictions on the establishment of subdivisions and participation in other legal entities.

5. Authorized organizations to obtain the license and (or) appendices to the license, in addition to the documents specified in accordance with the Law of the Republic of Kazakhstan “On permits and notifications” shall submit to the National Bank of the Republic of Kazakhstan documents referred to in subparagraphs 8), 9) of part 1 of Article 10 of this Law on the conditions and procedures established by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

6. Issuance of license (including its appendix) for the implementation of activities of organizing exchange operations with foreign currency in cash or refusal to issue the license shall be made within thirty business days from the date of submission by an authorized organization of the complete package of documents.

Issuance of appendix to the actual license or renewal of the license and (or) its appendices or refusal to issue such documents shall be made within ten business days from the date of submission by an authorized organization of the complete package of documents.

In case of refusal to issue, renew the license and (or) appendix to it an applicant is provided with the reasoned reply in writing.

7. The grounds for refusal to issue the license and (or) application thereto are the following:

1) failure to provide documents or information stipulated in accordance with this Law;

2) non-compliance of an applicant with the requirements established in accordance with this Law;

3) other grounds stipulated by the laws of the Republic of Kazakhstan.

8. Authorized banks shall notify the National Bank of the Republic of Kazakhstan on the opening, suspension, resumption of activities, the closing of exchange offices.

Notification on the opening of an exchange office shall be made by an authorized bank not later than the date of commencement of operations of the exchange office. Notification shall be confirmed by the National Bank of the Republic of Kazakhstan within ten business days from the date of notification by issuance of a standard document - the certificate of the exchange office of the authorized bank.

A regulatory legal act of the National Bank of the Republic of Kazakhstan shall establish the forms and procedure for providing information on the activity of organizing exchange operations with foreign currency in cash.

Article 7. Excluded from 30 December 2006 in accordance with article 34

Article 8. Registration regime

1. The National Bank of the Republic of Kazakhstan shall register the currency operations referred to in **Chapter 4** of this Law.

2. The registration regime includes registration of currency agreement and subsequent presentation by the resident of information on the registered currency agreement.

3. Resident who participates in the currency operation shall submit to the National Bank of the Republic of Kazakhstan for registration:

1) if the currency agreement is initially subject to registration regime - before commencing to perform any obligations by any party to the agreement;

2) if performance of any obligation by one of the parties causes application of registration regime to the currency agreement - before performance of such obligation;

3) if the registration regime shall be applied to the currency agreement as a result of making amendments and/or additions to this agreement and in the case that any party is obliged to perform its obligations within thirty calendar days from the date when the registration regime is applied to the currency agreement - before commencing to perform such obligations;

4) in other cases - not later than thirty calendar days from the date when the registration regime is applied to the currency agreement.

3-1. If a resident becomes a party to the currency agreement to which the registration regime applies as a result of assignment of claim or transfer of debt, such resident shall apply to the National Bank of the Republic of Kazakhstan for registration not later than thirty calendar days from the date of conclusion of relevant transaction.

4. To register foreign currency transactions, residents shall represent to the National Bank of the Republic of Kazakhstan documents referred to in subparagraphs 1) - 4) and 10) of first part **Article 10** of this Law under the **terms and conditions and in accordance with the procedure** established by the regulatory act of the National Bank of the Republic of Kazakhstan.

The National Bank of the Republic of Kazakhstan is entitled to request additional documents, which are referred to in the documents submitted.

5. Registration shall be made within ten working days from the date of submission by the resident of full package of documents.

When registering a currency agreement is issued, the applicant shall be issued a standard document - **certificate of registration**.

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

1) provision of false information or failure to provide information required in accordance with this Law;

2) inconsistency of the operation to be implemented with the legislation of the Republic of Kazakhstan.

7. **Regulatory legal act** of the National Bank of the Republic of Kazakhstan shall establish limited value of transaction, beyond which the currency agreement is subject to registration, as well as **exceptions** from the registration regime in respect of which the National Bank of the Republic of Kazakhstan shall have the right to establish notification regime.

Article 9. Notification regime

1. Notification regime includes representing to the National Bank of the Republic of Kazakhstan by the resident participants of foreign currency transactions and/or by the authorized banks, as well as professional participants of the securities market engaged in foreign currency transactions on behalf of their clients, of information on the currency agreement in the prescribed form and subsequent provision of information about the transactions implemented and amendments made to the currency agreement.

Authorized banks and professional participants of the securities market, as well as other entities as established by the **Regulatory legal act** of the National Bank of the Republic of Kazakhstan, are allowed to make notifications of implemented currency transactions in the form of reports to the National Bank of the Republic of Kazakhstan on a regular basis.

2. If, in respect of currency transactions which are subject to notification, a requirement is not established to submit notifications in the form of reports on a regular basis, the resident party of the currency transaction must submit notification to the National Bank of Kazakhstan after conclusion of the currency contract, but no later than seven working days from the date of commencement of the obligations

under the contract by one of the parties. If the currency contract became subject to notification procedure during the performance of obligations under it – such notification shall be submitted no later than thirty calendar days from the date the currency transactions implemented under this currency contract are subject to notification.

When opening an account in a foreign bank, the notification shall be submitted in cases and within time limits set out in **paragraph 2 of Article 25** of this Law.

If a resident becomes a party to the currency contract which had become subject to notification procedure as a result of assignment of claim or transfer of debt, such resident shall notify the National Bank of the Republic of Kazakhstan of such currency agreement no later than thirty calendar days from the date of conclusion of the relevant transaction.

3. Confirmation of the notice, except in cases of notification in the form of reports on a regular basis, shall be made by the National Bank of the Republic of Kazakhstan after seven working days from the date of submission by the resident information of the currency contract. In this case, the resident party in currency transaction shall be issued a document in standard form - **Certificate of notification**.

4. The National Bank of the Republic of Kazakhstan, in order to clarify the circumstances inherent to implementation of the currency operations may request submission of the currency agreement, serving as a basis for implementation of relevant currency operations.

5. Authorized banks and/or professional participants of the securities market in the case of absence of Certificate of notification shall conduct currency operations of their clients notifying 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. **Regulatory legal act** of the National Bank of Kazakhstan shall establish a threshold value for the amount of transaction, beyond which the currency agreement is subject to the notification, the form and procedure for notice and the exceptions from the notification regime.

Article 10. Documents required to obtain a license and registration certificate

Residents, in accordance with the requirements for the implementation of activities of organizing exchange operations with foreign currency in cash as well as in accordance with the requirements for currency regulation regimes established by this Law, shall submit to the National Bank of the Republic of Kazakhstan:

- 1) application;
- 2) a copy of the currency agreement bound securely and certified by a signature (for individuals and legal entities) and by the seal of legal entities (if present);
- 3) copy of the identity document (for individuals engaged in currency operation);
- 4) certificate of state registration (re-registration) of a legal entity (for legal entities);
- 5) copy of the constituent documents (notarized in case of non-submission of originals for verification) - for legal entities;

6) *excluded in accordance with the Law of the Republic of Kazakhstan № 224-III, 12.01.2007;*

7) *excluded in accordance with the Law of the Republic of Kazakhstan № 530-IV, 06.01.2012;*

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

9) bank certificate of the availability of the resident's bank account in foreign currency;

10) copies of documents confirming the appearance, performance and termination of obligations under currency agreement.

The National Bank of the Republic of Kazakhstan shall have the right to request from a resident the originals of documents mentioned in this article to review.

Documents executed in a foreign language shall be submitted to the National Bank of the Republic of Kazakhstan with the translation into the national language or Russian.

Article 11. Currency monitoring

1. The National Bank of the Republic of Kazakhstan shall perform currency monitoring in order to assess the sustainability of the balance of payments of the Republic of Kazakhstan.

The main objectives of currency monitoring are the followings:

1) creation of a database on foreign currency transactions carried out by the objects of currency monitoring;

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

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

Activities covered by the currency monitoring shall be determined by the National Bank of the Republic of Kazakhstan.

3. Currency monitoring shall be carried out by mean of collection of information from the objects of currency monitoring on their currency transactions with residents and non-residents on the projects being implemented. Such information shall be represented in accordance with the established reporting forms.

4. Timing and reporting forms for currency monitoring shall be established by the **regulatory legal act** of the National Bank of the Republic of Kazakhstan.

Article 12. Repatriation of national and foreign currency

1. Repatriation of national and foreign currency consists of crediting to the bank accounts in authorized banks of:

1) revenue in national and foreign currency derived from exports of goods (works or services);

2) national and foreign currency transferred by the resident in favor of non-resident as a payments for imports of goods (works or services) in the case of non-performance or partial performance of obligations by the non-resident.

Resident shall ensure compliance with the requirements of repatriation of national and foreign currency within the period of repatriation. The period of repatriation is the time period, calculated by the resident on the basis of the completion by the parties of their respective obligations under the currency contract and in the manner prescribed by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

Authorized banks conducting currency transactions of residents are entitled to require from the resident clear definition or clarification of the period of repatriation.

2. The requirement of repatriation in accordance with this Law shall be considered partially or completely complied with in the following cases:

1) termination of the non-residents' obligation through offset of the similar counter liability;

2) termination of the non-resident's obligation by replacing the original obligation that existed between the parties, with another obligation between the same parties that provides a different object or a method of performance;

3) receipt of the insurance payment in the case of occurrence of insured event under the insurance agreement of risk of non-performance of obligations by the non-resident;

4) actual transfer of the national and foreign currency to the resident's account in foreign banks, intended to perform the resident's obligations in accordance with the terms of the loan borrowed from a non-resident or to ensure the activities of branches and representative offices of the resident opened abroad.

3. In the case of assignment by a resident to another resident of the claim to a non-resident, the corresponding obligation to ensure compliance with the requirements of repatriation in time shall pass to a resident who has received the right of claim.

4. The National Bank of the Republic of Kazakhstan shall establish **uniform rules** and conditions for receipt by the residents of reference numbers of export and import contracts and a **procedure** for export and import currency control in order to ensure that the residents comply with the requirement of repatriation, as well as a **threshold value with regard to the amount of transaction**, above which the receipt of the reference number of contracts shall be required.

5. In order to control the repatriation of national and foreign currency, the currency contract should obviously provide for specific timing for performance of obligations by non-residents.

6. Residents, in the case of change in time of performance of their obligations, occurrence of other circumstances that affect the established period of repatriation, shall notify the authorized banks and/or the National Bank of the Republic of Kazakhstan by providing appropriate justification and supporting documents.

6. Control over implementation of the requirements of this Article and the reasonability of non-repayment of currency resources shall be implemented by the National Bank of the Republic of Kazakhstan jointly with the tax authorities,

customs and law enforcement agencies, including through the exchange and sharing of information.

CHARTER 3. BASIC PRINCIPLES OF CURRENCY OPERATIONS

Article 13. Currency operations between the residents

Currency operations between the residents are prohibited, except for:

1) operations, which involve the National Bank of the Republic of Kazakhstan and/or the Ministry of Finance of the Republic of Kazakhstan;

2) operations with currency values attributable to banking operations and other operations that the authorized banks and authorized organizations are allowed to implement in accordance with the license issued to them and/or legal acts of the Republic of Kazakhstan;

3) payment for banking services on implementation of currency operations, as well as payment of penalties (fines) under the contracts providing for the provision of banking services in foreign currency;

4) operations related to acquisition, sale, payment of remuneration and/or the redemption of securities, nominal value of which is denominated in a foreign currency;

4-1) operations on purchase and sale of refined gold bullion;

5) payments and money transfers under the commission contracts related to the implementation of export /import, or in the use of transferable letters of credit as a form of payment;

6) transfer of notes denominated in foreign currency, as a form of performance of financial obligations;

7) operations related to the settlements for the sale of goods in duty-free shops, as well as for sale of goods and provision of services to passengers in transit in international transport;

8) operations in meeting the costs of an individual related to his/her trip abroad, to beyond the borders of the Republic of Kazakhstan, including official entertainment expenses, as well as operations to repay unspent advance provided before the trip to beyond the borders of the Republic of Kazakhstan;

9) donation money transfer or donation of currency values by individuals to individuals and legal entities who focus on charitable activities under their authorized documents;

10) making bank deposits by individuals in favor of other individuals;

11) operations related to the payment of taxes and other obligatory payments towards the budget in the cases stipulated by the legislative acts of the Republic of Kazakhstan.

Article 14. Currency transactions between residents and non-residents

1. Residents have a right to make transactions with non-residents in national and/or foreign currency by agreement of the parties in accordance with the currency legislation of the Republic of Kazakhstan.

2. Residents, in masking their transactions with non-residents, have a right to issue promissory notes denominated in foreign currency.

3. Non-residents are entitled without restriction to receive and transfer the dividends, interest and other income earned on deposits, securities, lending and other currency operations with the residents made in accordance with the procedure established by this Law.

If the currency regulation regime is not established with regard to currency operations mentioned in Articles 20-24 of this Law, then, the currency operations between residents and non-residents shall be implemented without restrictions in the manner prescribed by the National Bank of the Republic of Kazakhstan, which has the right to establish the notification regime.

Currency regulation regimes established by this Law shall not apply to currency operations with non-residents, which involve the National Bank of the Republic of Kazakhstan and/or the Ministry of Finance of the Republic of Kazakhstan.

Article 15. Currency operations between non-residents

1. Currency operations between non-residents in the territory of the Republic of Kazakhstan shall be made without restrictions provided that the requirements established by Article 16 of this Law shall be met.

2. Restrictions on currency operations between non-residents in the territory of the Republic of Kazakhstan may be imposed in the cases only provided for by Article 32 of this Law.

Article 16. Payments and money transfers on residents' and non-residents' currency transactions

1. Payments and money transfers on the residents' and non-residents' currency transactions shall be made through bank accounts in authorized banks, with the exception of:

1) payments and money transfers by individuals, as well as payments and money transfers in their favor in the national currency of the Republic of Kazakhstan;

2) money transfers by individuals, made without opening of a bank account in authorized banks in accordance with paragraph 3 of this Article;

3) settlements in sale of goods in duty-free shops, as well as in sale of goods and provision of services to passengers in transit in international transport;

4) payments between individuals and authorized banks or authorized organizations made through their exchange offices;

5) payment by resident legal entities of wages and salaries to their non-resident employees, as well as payment of wages and salaries made in foreign currency by non-resident legal entities to their employees - residents and non-residents;

6) operations in meeting the costs of an individual related to his/her trip abroad, including official entertainment expenses, as well as operations to repay unspent advance provided before the trip to beyond the borders of the Republic of Kazakhstan;

7) payments between individuals and non-resident legal entities, which implement their activities under the customs control at airports, ports and border crossings open for international communications;

7-1) payments between non-residents and resident legal entities for the maintenance of foreign vessels in airports and seaports in the territory of the Republic of Kazakhstan, as well as the payment by non-residents for the air navigation services, airport services, seaport activities related to servicing the international voyages;

8) payments between resident and non-resident legal entities, which implement their activities in the territory of the Republic of Kazakhstan, in national currency within the limits of amount established by the legislation of the Republic of Kazakhstan on payments and money transfers;

9) payments made through the issue (transfer) of a check or promissory note;

10) payments and money transfers on operations with non-residents made through foreign bank accounts opened by residents in accordance with the procedure established by this Law, as well as payments and money transfers through correspondent accounts of authorized banks in foreign banks;

11) money transfers from the non-residents' accounts in foreign banks made by them to perform resident's obligations in the cases provided by the regulatory legal act of the National Bank of the Republic of Kazakhstan.

Cash foreign currency earned by resident legal entities and non-residents in conducting currency operations in the territory of the Republic of Kazakhstan are subject to obligatory transfer to the bank accounts in authorized banks.

Provisions of the first part of this paragraph shall not apply to the operations, which involve the National Bank of the Republic of Kazakhstan.

2. Payments in the territory of the Republic of Kazakhstan on currency operation in respect of which this Law defines requirement of registration, notification or receipt of reference number of contract, shall be implemented by non-cash method.

3. Resident and non-resident individuals are entitled to implement, within the fixed amount, without opening accounts in authorized banks, the following operations:

1) donation money transfer within the Republic of Kazakhstan, to the Republic of Kazakhstan and from the Republic of Kazakhstan (tax, license fees, fines, transfers of inheritance amounts, child support, grants, etc.);

2) other money transfers from the Republic of Kazakhstan, not related to the implementation of individual business activities and those in respect of which this Law does not define the requirement to obtain the reference number of the contract, or registration or notification.

4. The procedure for use and transfer of cash foreign currency to the bank account by residents and non-residents as well as the amount and procedure for money transfer without opening a bank account shall be established by the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

Article 17. Purchase and sale of foreign currency

1. Authorized banks, having the right to organize foreign currency exchange operations in accordance with a license issued thereto or a right conferred by the laws of the Republic of Kazakhstan, shall have the right to buy and sell foreign currency both in the Republic of Kazakhstan and abroad.

2. Residents and non-residents in the Republic of Kazakhstan shall sell and purchase foreign currency from authorized banks having the right to organize foreign currency exchange operations only through exchange offices of authorized banks, as well as and exchange offices of authorized organizations in accordance with the procedure prescribed by the National Bank of the Republic of Kazakhstan.

3. Authorized banks shall represent reports, in accordance with the procedure, established by the regulatory legal act of the National Bank of the Republic of Kazakhstan, for the purposes of monitoring of supply and demand sources, as well as the areas of application of foreign currency in the domestic market.

Article 18. Import to the Republic of Kazakhstan and export from the Republic of Kazakhstan of currency values, national currency, securities and payment documents, face value and/or price of which is denominated in local currency, or securities, having no face value issued by residents

1. Import to the Republic of Kazakhstan and export from the Republic of Kazakhstan of cash foreign currency, cash national currency, certificated securities and payment documents shall be implemented by residents and non-residents without restrictions, provided that the requirements of the customs legislation of the Customs Union and/or of the Republic of Kazakhstan are met.

2. Individuals have a right to import to the Republic of Kazakhstan or export from the Republic of Kazakhstan without customs declaration cash foreign and/or cash national currency (except precious metal coins) and traveler's checks for the total amount equal to or not exceeding the equivalent of ten thousand U.S. dollars.

3. Import to the Republic of Kazakhstan or export from the Republic of Kazakhstan of cash foreign and/or cash national currency (except precious metal coins) and traveler's checks for the total amount exceeding the equivalent of ten thousand U.S. dollars by an individual is subject to mandatory customs declaration to the customs authority of the Republic of Kazakhstan, except in cases of import or export operations implemented to or from the territory, which is an integral part of the customs territory of the Customs Union.

Customs declaration shall be made by submitting a customs declaration in writing regarding the entire amount of the imported or exported cash foreign currency, cash national currency and traveler's checks with details on the origin and destination of moved cash money and travelers checks.

4. Import to the Republic of Kazakhstan or export from the Republic of Kazakhstan by an individual of certificated securities payable to the bearer, promissory notes, checks (except for the traveler's checks) shall be subject to mandatory customs declaration to the customs authority of the Republic of

Kazakhstan, except in cases of import or export, carried out from the territory or to the territory, which is an integral part of the customs territory of the Customs Union.

5. Import to the Republic of Kazakhstan or export from the Republic of Kazakhstan from the territory or to the territory that is not an integral part of the customs territory of the Customs Union, of the refined gold in bullions and precious metal coins that are legal tender, shall be implemented in accordance with the customs legislation of the Customs Union and/or of the Republic of Kazakhstan.

Article 19. Obligation to provide information and documents

1. Residents and non-residents implementing their activities in the territory of the Republic of Kazakhstan, are obliged to provide reports, information and documents to the currency regulation and control authorities, as well as to the currency control agents regarding their currency operations in order to comply with the requirements of this Law.

2. Residents and non-residents shall, upon request of authorized banks, specify the purpose of payments and money transfers related to their currency operations and to submit documents proving the specified purposes of payments and money transfers in order to comply with the requirements of this Law.

CHARTER 4. OPERATIONS TO MOVE CAPITAL AND OPEN ACCOUNTS

Article 20. Settlements on export/import

1. *Excluded from 30 December 2006 in accordance with article 34*

2. *Excluded from 30 December 2006 in accordance with article 34*

3. Payments between residents and non-residents on commercial loans related to export /import of goods for the period longer that 180 days shall be made within the framework of registration regime.

Registration regime also applies to commercial loans related to export/import of goods and those provided for a period not exceeding 180 days, if the actual period of refund or other performance 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 works and services shall be made within the framework of notification regime. Notification shall be sent by the authorized bank serving such payments.

3-2. Currency regulation regimes do not apply to commercial loans related to export/import, which require receiving of the reference number of the contract.

4. *Excluded from 30 December 2006 in accordance with article 34*

5. *Excluded from 30 December 2006 in accordance with article 34*

6. *Excluded from 30 December 2006 in accordance with article 34*

7. *Excluded in accordance with the Law of the Republic of Kazakhstan № 167-IV dated from 04.07.09*

8. Authorized banks have the right to open, under the commission agreements between residents related to import, transferable letters of credit in foreign currency in favor of residents, which provide for transfer of the letter of credit in favor of non-residents.

Article 21. Direct investments

Direct investments of non-residents to the Republic of Kazakhstan and residents abroad shall be made within the framework of registration regime.

Article 22. Participation in equity capital, operations with securities and derivative financial instruments

1. Residents are obliged to notify the National Bank of the Republic of Kazakhstan on currency operations related to acquisition of securities, investing money and other property in order to participate in the organization (including to the Equity capital) or as a contribution to its property, as well as on currency operations related to **derivative financial instruments**.

2. *Excluded from 30 December 2006 in accordance with article 34*

3. *Excluded from 30 December 2006 in accordance with article 34*

4. *Excluded from 30 December 2006 in accordance with article 34*

5. *Excluded from 30 December 2006 in accordance with article 34*

6. *Excluded from 30 December 2006 in accordance with article 34*

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

Article 23. Financial loans

1. Financial loans of residents to non-residents and of non-residents to residents for the period longer than 180 days shall be made within the framework of registration regime.

2. Registration regime shall also apply to financial loans provided for a period not exceeding 180 days, if the actual period of refund or other performance of obligations by the resident or non-resident exceeds 180 days.

Article 24. Other operations to move the capital

1. Other operations to move the capital include:

1) acquisition of ownership right on the real estate, except for **movable property**, referred by legislative acts of the Republic of Kazakhstan as the real estate;

2) acquisition of fully exclusive rights on the **objects of intellectual property**;

3) transfer of money and other property in order to perform obligations of the participants of **joint activity** and to place into trust.

2. Payments made by residents to non-residents, payments of non-residents to residents related to the acquisition of ownership rights on the real estate, as well as transfer of money and other property by residents to non-residents (from non-residents to residents) in trust shall be implemented within the framework of notification regime.

3. *Excluded from 30 December 2006 in accordance with article 34*

4. Payments made by residents to non-residents, payments made by non-residents to residents related to acquisition of fully exclusive rights on intellectual property, as well as transfer and receipt by the residents of money and other property in order to perform obligations of the participant of joint activity shall be made within the framework of recording regime.

Article 25. Accounts of residents

1. Residents open bank accounts in foreign currency in the authorized banks without restrictions, unless otherwise is established by the legislative acts of the Republic of Kazakhstan.

2. Resident legal entities, except for banks and National Mail Operator are obliged to notify the National Bank of the Republic of Kazakhstan on the opening of bank (including savings) accounts in foreign banks no later than thirty calendar days from the date of signing a contract with a foreign bank.

2-1. An individual is not required to submit notification on availability of account in a foreign bank. The authorized bank, implementing bank transfers, shall notify on the volume of transfers of resident individuals from their own accounts (to their own accounts) in a foreign bank.

3. *Excluded from 30 December 2006 in accordance with article 34*

4. *Excluded from 30 December 2006 in accordance with article 34*

5. *Excluded from 30 December 2006 in accordance with article 34*

Article 26. Accounts of non-residents

1. Non-residents open bank accounts in foreign and/or national currency in authorized banks without restrictions.

2. Non-residents have the right to transfer foreign currency and national currency from their accounts located outside the territory of the Republic of Kazakhstan to their bank accounts in authorized banks, as well as from their bank accounts in the authorized banks to their accounts outside the territory of the Republic of Kazakhstan without any restrictions.

Charter 5. CURRENCY CONTROL

Article 27. Purpose and objectives of currency control

1. The purpose of currency control is to ensure compliance of the residents and non-residents of the Republic of Kazakhstan with the legislation of the Republic of Kazakhstan in implementing their currency operations.

2. The objectives of currency controls are as follows:

1) determining the compliance of currency operations under implementation with the legislation of the Republic of Kazakhstan;

2) verification of validity of payments on currency operations and of availability of necessary documents for their implementation;

3) verification of completeness and objectivity of accounting and reporting on currency operations.

Article 28. Bodies and agents of currency control

1. The currency control in the Republic of Kazakhstan shall be implemented by the National Bank of the Republic of Kazakhstan, other government agencies within the limits of their authorities established by the laws of the Republic of Kazakhstan (by the bodies of currency control), and the agents of currency control.

2. Agents of currency control are authorized banks and authorized organizations.

Article 29. Rights and obligations of the bodies and agents of currency control

1. Bodies and agents of currency control, within their respective competences are obliged to exercise control over currency operations implemented by residents and non-residents in the Republic of Kazakhstan, in terms of compliance of these operations with the legislation of the Republic of Kazakhstan, conditions of licenses, as well as registration and notification requirements.

2. Bodies of currency control, within respective competences, shall:

1) provide assessment of compliance by residents and non-residents with the currency legislation of the Republic of Kazakhstan;

2) provide assessment of completeness and accuracy of accounting and reporting of currency transactions implemented by residents and non-residents;

3) make requests of documents and information related to the implementation of currency operations;

4) make instructions required for their execution by the currency control agents aimed at proper implementation of currency control;

5) establish procedures for reporting on currency transactions;

6) make requests to eliminate the violations and take other measures provided for by the legislation of the Republic of Kazakhstan, which are mandatory for all residents and non-residents in the Republic of Kazakhstan.

3. Currency control agents shall:

1) provide control over compliance with the requirements of currency legislation of the Republic of Kazakhstan in implementation of currency operations, including on behalf of the clients;

2) ensure the completeness and objectivity of accounting and reporting on currency operations;

3) report on the facts which came into their notice of violations of currency legislation of the Republic of Kazakhstan, admitted by their clients, to the National Bank of the Republic of Kazakhstan, as well as other bodies of currency control and law enforcement agencies in accordance with their authorities as defined by the laws of the Republic of Kazakhstan;

4) provide bodies of currency control with information on currency operations conducted with their participation in accordance with the procedure established by

the laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the regulatory legal acts issued by the bodies of currency regulation.

4. Bodies and agents of currency control in accordance with the laws of the Republic of Kazakhstan are obliged to keep commercial, banking and other secrets protected by law, which has become known to them in the exercise of their respective authorities.

5. Authorized bank shall make payments and money transfers of resident and/or non-residents only under the condition of provision by the latter of the documents required in accordance with this Law and the regulatory legal acts of the National Bank of the Republic of Kazakhstan.

6. In order to implement the currency control, the currency control agents in accordance with this Law shall have the right to require submission by the residents and non-residents in implementing currency operations:

- 1) identity documents (for individuals);
- 2) document confirming the right of permanent residence in the Republic of Kazakhstan (for foreigners and stateless persons);
- 3) constituent documents (for legal entities);
- 4) certificate of state registration (re-registration) of a legal entity (for legal entities);
- 5) *Excluded in accordance with the Law of the Republic of Kazakhstan № 224-III dated from 12.01.07*
- 6) *Excluded in accordance with the Law of the Republic of Kazakhstan № 530-IV dated from 06.01.12 z.*
- 7) currency contract, including with the note on the assignment of a reference number to the contract in the cases established by the **regulatory legal act** of the National Bank of the Republic of Kazakhstan;
- 8) license, certificate of registration, certificate of notification in the cases established by this Law;
- 9) *Excluded in accordance with the Law of the Republic of Kazakhstan № 530-IV dated from 06.01.12 z.*
- 10) documents confirming implementation or those on the basis of which the obligations on implementation of export/import transactions is required.

7. Authorized banks may not require the submission of documents not directly related to the currency operation under implementation.

8. Authorized banks shall refuse to implement the currency operation in the event of failure to submit the documents required in accordance with this Law and the regulatory legal acts issued by the bodies of currency regulation and currency control, or submission of false documents, or failure to implement actions established by the currency legislation of the Republic of Kazakhstan.

Article 30. Enforcement actions and sanctions

1. The National Bank of the Republic of Kazakhstan at revealing violations of currency legislation of the Republic of Kazakhstan by authorized banks and authorized organizations shall be entitled to apply measures and sanctions stipulated by the laws of the Republic of Kazakhstan.

In reveal of violations in the procedure of foreign currency exchange operations admitted by the authorized banks and authorized organizations through their exchange offices, the National Bank of the Republic of Kazakhstan shall have the right to suspend the validity of registration certificate of the exchange office for the period up to six months.

2. In case of reveal of any violations of currency legislation of the Republic of Kazakhstan by the licensees, the National Bank of the Republic of Kazakhstan shall have the right to suspend the license.

Article 31. Rights and obligations of residents and non-residents

1. Residents and non-residents implementing currency operations in the Republic of Kazakhstan have the right to:

1) read information on the results of inspections carried out by the bodies of currency control;

2) appeal the actions of the bodies and agents of currency controls in accordance with the procedure established by the laws of the Republic of Kazakhstan;

3) exercise any other rights provided for by the legislation of the Republic of Kazakhstan.

2. Residents and non-residents implementing currency operations shall:

1) provide the bodies and agents of currency control with all requested documents and information on currency operations in the time 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 their inspection, as well as on their results;

3) maintain accounting and prepare reports on currency transactions, ensuring their safety during the period established by regulatory legal acts of the National Bank of the Republic of Kazakhstan;

4) comply with the requirements (instructions, regulations) of the bodies of currency control regarding elimination of the violations revealed;

5) provide the bodies of currency control with access to their premises, documents and computerized databases in the course of their inspections.

3. In the cases established by this Law, the residents are obliged to promptly apply and take all necessary steps to obtain a license, registration certificate, certificate of notification of the National Bank of the Republic of Kazakhstan, as well as to comply with the conditions of the license issued to them.

Charter 6. FINAL PROVISIONS

Article 32. Special currency regime

1. In the case of threat to the economic security of the Republic of Kazakhstan and stability of its financial system, if the situation cannot be solved by other economic policy measures, a special currency regime shall be introduced.

Special currency regime is a special regime for implementation of currency operations, providing a set of measures of currency regulation, aimed at creating the conditions for eliminating threats to economic security of the country and stability of its financial system, allowing the introduction of certain currency restrictions on the implementation by residents and non-residents of operations related to the use of currency values. Special currency regime is a temporary measure used solely for the purposes of elimination of circumstances which caused its introduction. The limitations that may be introduced by the special currency regime, include:

1) requirement to make a deposit without payment of remuneration in the certain percentage of the amount of currency operation for a fixed period in the authorized bank or in the National Bank of the Republic of Kazakhstan;

2) requirement to obtain special permission from the National Bank of Kazakhstan to implement currency operations;

3) requirement of mandatory sale of foreign currency received by residents;

4) restrictions on the use of foreign bank accounts, establishing the time for refund of the currency earnings and limits on volumes, amount and currency of settlements on currency operations.

President of the Republic of Kazakhstan may introduce other temporary currency restrictions.

2. Special currency regime shall be introduced by the act of the President of the Republic of Kazakhstan prepared on the basis of consultations with the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan.

The Law of the Republic of Kazakhstan “On permits and notifications” shall not be applied to the permits and notifications established by the act of the President of the Republic of Kazakhstan on the introduction of special currency regime.

3. The Act of the President of the Republic of Kazakhstan on the introduction of the special currency regime shall include:

1) list of measures and temporary restrictions to be introduced on implementation of operations involving the use of currency values;

2) procedure for implementation of the special currency regime requirements, including the conditions for issuance of special permit;

3) time of introduction into operation and validity period of the special currency regime.

4. Period of validity of special currency regime may not exceed one year.

After expiry of the period of the special currency regime, the special currency regime shall be deemed canceled.

The President of the Republic of Kazakhstan shall have the right to extend its validity within the time limits established by this paragraph, or cancel it before this time entirely or in part through the issuance of an appropriate act.

5. During the period of the special currency regime, the residents and non-residents are obliged required to comply with the requirements established by the Act of the President of the Republic of Kazakhstan on introduction of special currency regime.

Article 33. Responsibility for violation of currency legislation of the Republic of Kazakhstan

Violation of currency legislation of the Republic of Kazakhstan shall cause liability in accordance with the **Laws of the Republic of Kazakhstan**.

Article 34. Procedure for enactment of this Law

1. This Law shall come into force after six months from the date of **publication**, except for the **paragraph 1 of Article 12**, which shall come into force on January 1, 2007.

2. Second paragraph of subparagraph 2) of **paragraph 4 of Article 5, Article 7, paragraphs 1, 2, 4-6 of Article 20, paragraphs 2-6 of Article 22, paragraph 3 of Article 24, paragraphs 3-5 of Article 25** of this Law shall have legal force till December 31, 2006.

3. The **Law** of the Republic of Kazakhstan dated December 24, 1996 “On Currency Regulation” (Bulletin of the Parliament of the Republic of Kazakhstan, 1996, # 20-21, p. 404; 1997, # 13-14, p. 205; 1998, # 16, p. 219; 1999, # 20, p. 722; 2001, # 4, p. 23; 2003, # 10, p. 51; # 11, p. 56; # 15, p. 139) shall be deemed to have lost force.

N. NAZARBAYEV
President
The Republic of Kazakhstan

Astana, Akorda, June 13, 2005
Law of the RK № 57-III