Budget Code of the Republic of Kazakhstan

Non-official translation

Code of the Republic of Kazakhstan dated 4 December, 2008 No. 95-IV

Unofficial translation

Table of content

Footnote. Throughout the text, the words “aul (village)”, “aul (rural)”, “aul (rural)”, “ auls (villages)”, “aul (rural)” are replaced by the words “village”, “rural”, “rural”, “ villages”, “rural” in accordance with the Law of the Republic of Kazakhstan dated 03.07.13, No. 121-V (see the old. ed.)

This Code regulates budget, intergovernmental fiscal relations, set out the main provisions, principles and mechanisms of the budget system, the formation and use of budget funds, as well as the formation and use of the National Fund of the Republic of Kazakhstan.

GENERAL PART TABLE OF CONTENT

Table of content is amended in accordance with the Law of the Republic of Kazakhstan dated 02.04.10 No. 263-IV (shall be enforced from 1 January, 2010) (see the old. ed.); by the Law of the Republic of Kazakhstan dated 19.01.11 No. 395-IV (see the old. ed.); by the Law of the Republic of Kazakhstan dated 16.02.12 No. 557-IV (see the old. ed.); by the Law of the Republic of Kazakhstan dated 05.07.12 No. 30-V (see the old. ed.); by the Law of the Republic of Kazakhstan dated 23.11.12 No. 55-V (see the old. ed.); by the Law of the Republic of Kazakhstan dated 13.06.13 No. 101-V (see the old. ed.); by the Law of the Republic of Kazakhstan dated 04.07.13 No. 131-V (see the old. ed.)

GENERAL PART

Section 1. BUDGET SYSTEM

Chapter 1. GENERAL PROVISIONS

Article 1. Budget legislation of the Republic of Kazakhstan

1. Budget legislation of the Republic of Kazakhstan is based on the Constitution of the Republic of Kazakhstan and consists of this Code and other regulatory legal acts, adoption of which is provided by this Code.

2. If the international treaty ratified by the Republic of Kazakhstan establishes other rules than those contained in this Code, the rules of the international treaty shall apply.

Article 2. Effect of the budget legislation of the Republic of Kazakhstan

1. Budget legislation of the Republic of Kazakhstan shall be effective throughout the territory of the Republic of Kazakhstan and shall apply to all individuals and legal entities.

2. The provisions of this Code relating to the public institutions shall not apply to the National Bank of the Republic of Kazakhstan and the public institutions, financed from the budget (expenditure) of the National Bank of the Republic of Kazakhstan, exception of cases provided for in this Code.

3. The acts of the Government of the Republic of Kazakhstan and local executive bodies on the distribution of money, respectively, from republican and local budgets for the next financial year become inoperative after the end of the corresponding financial year, except for the provisions of these acts on allocation of money on a repayment basis.

The effect of application to the Law on the republican budget (maslikhat decision on the local budget) in the second and third years of the planning period shall become inoperative with the enactment of the Law on the republican budget (maslikhat decisions on the local budget) for the next planning period.

4. The Law on the republican budget, the decision of the maslikhat on local budgets, the acts of the Government of the Republic of Kazakhstan and local executive bodies on their implementation, as well as the regulatory legal acts on amendments and supplements thereto shall be enforced from 1 January of the corresponding financial year.

Article 3. The basic definitions used in this Code

1. The following basic definitions are used in this Code:

1) The aval–a promissory note guarantee, in which a person, committing it, shall assume an obligation for effecting a payment on a promissory note (in full or in part) for any person, who is liable for the bill;

2) untied grants – the grants, that do not include further borrowing by the Government of the Republic of Kazakhstan from the donor, which has provided a grant or co-financing from the republican and local budgets;

3) tied grants –the grants, that include further borrowing by the Government of the Republic of Kazakhstan from the donor, which has provided a grant or co-financing from the republican and local budgets within the relevant budgetary program, aimed at implementation of the tied grant;

4) an agreement on the tied grant - an agreement between the government and the donor, providing for free financial or technical assistance to the Republic of Kazakhstan;

5) objects of control – the participants of the budget process, quasi-public sector entities, as well as the recipients of budget funds, individuals and legal entities that use tied grants, state assets and state-guaranteed loans;

6) the guarantee of a bank - the bank's obligation to the central authorized body for the implementation of the budget on the repayment of the debt under the state-guaranteed loans, in the case of the borrower's failure to provide the accumulation, owed from him (her) in the amount of the loan agreement, in the manner and within the timeframe, established by the agreement on the provision of public guarantees;

7) an approved budget - the budget, approved by the Parliament of the Republic of Kazakhstan or by the relevant maslikhat;

8) a debt service – the aggregate payment, in a specific period of time, of the remuneration, commission fees, fines and other payments following from the borrowing conditions ;

9) a monitoring of debt –activities of the state implemented by its authorized agencies for accounting, analysis and control over the process of formation, change, and debt service;

10) repayment of debt – a repayment of the received amount of the loan by the borrower in

the order, established by the loan agreement and performance of other obligations under the loan agreement;

11) violation - an act (action or inaction), which resulted in a violation of budgetary and other legislation of the Republic of Kazakhstan, regulating the relations connected with the planning and the use of budget funds and state assets, tied grants, state-guaranteed loans, provision of security of the State;

11-1) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

12) budget - a centralized fund of the state, intended to financial provision of the implementation of its tasks and functions;

12-1) budget system - set of budgets and the National Fund of the Republic of Kazakhstan, as well as the budget process and relations;

12-2) budget funds - money and other assets of the state, enrolling in state ownership and expenditure of which is reflected in the budget in the form of money;

12-3) recipients of budget funds - individuals and legal entities, receiving budget funds through the administrator of the budget programs and using them as part of the budget programs;

12-4) budget process - regulated the budget legislation of the Republic of Kazakhstan activity of state bodies for planning, review, approval, performance, refinement and adjustment of budget, accounting and financial reporting, budget accounting and budget reporting, the state financial control, budget monitoring and evaluation results;

13) local authorized body for implementation of the budget - the executive body, financed from the local budget, carrying out functions in the area of budget execution, accounting, budgetary accounting and budgetary reporting on the implementation of the local budget;

14) a central authorized body for the implementation of the budget - the central executive body providing the management and inter-sectorial coordination in the area of implementation of the budget, accounting, budgetary accounting and budgetary reporting on the execution of the republican budget and, within its competence, the local budgets, the National Fund of the Republic of Kazakhstan based on the report of the National Bank of the Republic of Kazakhstan;

14-1) is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

15) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

16) budget investments - funding from the republican or local budget, aimed at increasing the value of state assets through the formation and increasing the authorized capital of legal entities, the creation of state assets through the implementation of the budget investment projects, concession projects on the condition of co-payment from the budget;

17) a budget investment project - a set of measures aimed at creation (construction) of new or renovation of existing facilities, and the creation, introduction and development of information systems to be implemented through the budget means within a certain period of time and which have the completed nature;

17-1) economic opinion on the budget investment projects - the conclusion of the central or local authorized body for state planning for the economic feasibility of implementation of the budget investment project, its impact on the state economy and compliance with the strategic and (or) policy documents, prepared based on the opinion of economic expertise on the feasibility study of the budget investment project;

17-2) economic examination of the feasibility study of the budget investment project - a comprehensive assessment of the information, provided in the feasibility study, on the determination of the feasibility and effectiveness of the project, carried out on the advice of industry expertise and other requirements in accordance with the budget legislation of the Republic of Kazakhstan on the conclusion of examinations;

18) a fiscal capacity - the cost of public services per unit of the recipients of the services, to be provided at the expense of the respective budgets;

19) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

20) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

21) budget relations – relations, arising in the budget process;

22) budget transactions – transactions, carried out during the execution of the budget;

23) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

24) a grant –free financial or technical assistance, provided to the state organizations of the Republic of Kazakhstan by donors;

25) donors - foreign countries, their governments and agencies, international and foreign government agencies, and foreign non-governmental public organizations and foundations, which activities are not contrary to the Constitution of the Republic of Kazakhstan;

26) a financial year - the year, preceding the current financial year of the planning period;

26-1) debt limit of the local executive body - a fixed amount of received and outstanding loans of the local executive body for the relevant financial year, that is established by the Government of the Republic of Kazakhstan for the local executive bodies of the region, the city of republican significance, the capital and it shall not exceed the actual debt of the local executive body on a given date (at the end of the financial year);

27) the debt of the local executive body - the amount of received and outstanding loans of the local executive body for a certain date;

28) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

29) a planning period - three financial years, following the current financial year;

29-1) economic opinion on the budget investments through the state participation in the authorized capital of legal entities - the conclusion of the central or local authorized body for state planning on the economic feasibility of implementation of the budget investments, their impact on the state economy and compliance with the strategic and (or) program documents, prepared on the basis of the opinion of economic expertise of financial and economic feasibility of budget investments through the state participation in the authorized capital of legal entities;

29-2) economic examination of financial and economic feasibility of budget investments through the state participation in the authorized capital of legal entities - a comprehensive assessment of the information, provided in the financial feasibility study for compliance of activities with the criteria of validity and effectiveness, conducted on the advice of industry expertise and other examination reports, required in accordance with the budget legislation of the Republic of Kazakhstan;

29-3) budget investment by forming and (or) increasing the authorized capital of a legal entity - the implementation of activities aimed at the development of a legal entity through the formation and (or) an increase in its authorized capital from the state or local budget;

30) investment proposal - the concept of the budget investment project, reflecting its purpose, the way to achieve it, including all the relevant activities developed by administrators of the budget programs;

30-1) economic opinion on the investment proposal - the conclusion of the central or local authorized body for state planning on the economic feasibility of implementation of the investment project, contained in the investment proposal as a budget investment project, the compliance of the objectives of the project with the development priorities of the (sector) economy industry, established by the strategic and (or) policy documents;

31) quasi-public sector entities - state enterprises, limited liability companies, joint stock companies, including holding companies, national holdings, national companies, a member or a shareholder of which is the state, as well as subsidiaries, affiliates and other legal entities that are affiliated with them in accordance with the Laws of the Republic of Kazakhstan;

32) the next financial year - the year following the current financial year;

33) a counter party – a party of the transaction for hedging the government loans, concluded with the authorized body for the implementation of the budget;

33-1) concession project - a set of measures to implement the concession sold for a limited period of time and having a complete character, according to the budget legislation of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan "On concessions";

34) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

35) standard of income distribution - the percentage of distribution of income between budgets of different levels;

36) residents of the Republic of Kazakhstan - legal entities, established in accordance with the legislation of the Republic of Kazakhstan and located in the Republic of Kazakhstan, as well as their branches and representative offices, also located in the Republic of Kazakhstan and (or) outside of it;

37) a financial agency - the national holding company and legal entities, one hundred percent of shares of which are owned by a national management holding company, as well as a bank or organization which is fully owned by the state, carrying out certain types of banking operations, authorized in accordance with the legislation of the Republic of Kazakhstan, for the implementation of the state's investment policy in certain sectors of the economy and the implementation of the borrowings in the financial market of the Republic of Kazakhstan and (or) on the international financial markets for these purposes;

38) financial year - the period beginning from January 1 and ending on December 31 of the calendar year, during which the implementation of the budget is carried out;

39) financing - allocation of budget funds to the beneficiaries;

40) financial statement - information about the financial position, financial results of activity and changes in financial position of controlling object, forms and amount of which are determined by the central authorized body for the implementation of the budget, unless otherwise stipulated by the legislative acts of the Republic of Kazakhstan;

41) borrowing - a process that includes the decision-making procedures for debt financing , determination of the order and terms of attraction, use, repayment and servicing of the loan, the negotiation procedures, ensuring and guarantees of performance, execution and signing the appropriate documents for the loan, ratification of the loan agreement (in public external borrowing), receipt, use of loan proceeds, including accounting procedures, controlling and the analysis of the performance of obligations by the parties;

42) a money - lender – a person, lending governmental or non-governmental loan under the state guarantee or surety of the state, or a representative of the holders of infrastructure bonds;

42-1) loan servicing - activities of the central authorized body for budget execution or the bank for accounting the use of loan funds on the accounts of the borrower and the borrower's payment of the fees, commissions and other payments in accordance with the terms of the loan;

42-2) loan restructuring - changing the terms agreed by the parties, financial and other conditions for the execution of their obligations under the loan agreement;

43) a loan agreement - an agreement, under which the borrower receives the loan and is obliged to return them to the lender and pay compensation, as well as other fees, related to the loan;

44) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

45) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

46) state assets – property and non-property benefits and rights, which have valuation base and obtained in state ownership as a result of past transactions or events;

47) a loan, attracted under surety of the state - non-government loan, implementing by issuing the infrastructure bonds;

48) a debt under the surety of the state - the amount on a certain date of the received and outstanding amount of non-government loans under the surety of the state;

49) a limit on the provision of the state guarantees - a fixed amount, sanctioned by the Law on the republican budget for the corresponding financial year within which guarantees of the state may be issued;

50) government-backed debt - the amount on a certain date of the received and outstanding amount of non-government loans, which are secured by the state guarantees;

51) state-guaranteed loan –a private loan secured by the state guarantees;

52) refinancing of the state debt – a redemption of the state debt at the expense of new borrowings;

53) a non-government debt - loan relations, in which the borrower is a resident of the Republic of Kazakhstan, with the exception of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and local executive bodies;

54) local authorized body for state planning - the executive body, financed from the local budget, carrying out functions in the field of strategic, economic and budget planning in the respective administrative-territorial unit;

55) central authorized body for state planning - the central executive body, carrying out the management and inter-sectorial coordination in the field of strategic and economic planning , working and formation of the budgetary policy;

56) a limit on the provision of state guarantees - a fixed amount, approved by the Law on the republican budget for the corresponding financial year, within which state guarantees may be issued;

56-1) state concession liabilities - a set of rights and obligations of the grantor on the amount, received on a certain date and unfulfilled by the grantor the financial obligations under the concession contracts;

56-2) classifier of violations, detected at the sites of state financial control (hereinafter - qualifier violations) - a document containing a list of violations and how to resolve them, pointing out violations of the Law and their respective responsibilities, established by the Laws of the Republic of Kazakhstan;

57) state loan - loan relations, in which the borrower is the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan or the local executive bodies;

57-1) state investment project - a set of measures, aimed at achieving the strategic goals of the state, through the implementation of budget investments and the implementation of concession projects;

58) a state equity security - equity security, certifying the right of the holder in respect of a loan, in which the borrower is the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and the local executive bodies, or certifying the holder’s right to receive income from the assets on the basis of a sublease agreement;

59) an offering of state equity securities - alienation of state equity securities of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and the local executive bodies through the conclusion of the first owners of civil transactions;

60) a revised budget –the approved budget with changes and amendments, adopted by the Parliament of the Republic of Kazakhstan or by the relevant maslikhat during its implementation ;

61) outcome indicators - a set of direct and eventual outcomes, the indicators of performance and quality of budget programs, describing the activities of the state body on the implementation of the strategic plan and budget programs;

62) the principal amount of a loan - repayable amount of received and not returned loan to the lender, excluding accrued interest amounts on it, a forfeit (fine, penalty);

62-1) mutually compensating transactions - transactions carried out during the formation of the state budget and the regional budget, as well as reports on their implementation, except for the amounts associated with transfers of budget credits and other money transferred from one level of the budget to another, in order to avoid double counting;

63) free financial aid –provision of money to the state organizations of the Republic of

Kazakhstan for financing the supply of goods, works and services by donors;

64) free technical assistance –performance or organization of the supply of goods, works and services to the state organizations of the Republic of Kazakhstan by donors;

65) is excluded by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication);

66) an insurance contract - the contract, providing the obligation of the insurance organization to the central authorized body for the implementation of the budget for compensation of the damages, resulting from the diversion of funds from the republican budget for the performance of obligations under the securities of the state or state guarantees;

67) a non-fixed (floating) interest rate - the interest rate on credits, loans or income from securities with compensation, which is subject to changes depending on the market conditions;

68) a foreign loan - a loan relationship in which the lender is a non-resident of the Republic of Kazakhstan, and the borrower is the Government of the Republic of Kazakhstan or a resident of the Republic of Kazakhstan;

69) a direct result - a quantitative characterization of the scope of government functions, authorities and public services within the established budget funds, the achievement of which depends entirely on the activities of the organization, performing these functions, authorities and services;

70) a final result - the goal state (change of state) of the level and quality of life, social sphere, economic, public safety, and other industries (spheres) of public administration provided by the achievement of a direct outcome from the activity of a certain state body, and by the activity of other state bodies;

71) a government debt - the amount of received and not repaid government loans by the Government of the Republic of Kazakhstan and classified in accordance with the legislative acts of the Republic of Kazakhstan as the debt of the Government of the Republic of Kazakhstan, the debt obligations on a certain date;

72) a limit of government debt - a fixed amount of the received and outstanding amount of government loans, approved by the Law on the republican budget to the corresponding financial year, which shall not exceed the actual debt of the Government of the Republic of Kazakhstan on a given date (the end of the corresponding financial year);

73) hedging of government loans - a settlement of transaction with financial instruments between the authorized body for budget execution and counterparty in order to manage risk (currency, interest rate and other) of governmental borrowing;

74) a domestic loan - the loan relations, in which the lender is a resident of the Republic of Kazakhstan, and the borrower is the Government of the Republic of Kazakhstan or a resident of the Republic of Kazakhstan.

2. Other terms of the budget legislation of the Republic of Kazakhstan which are not mentioned in this Article are used in the meanings, defined in the relevant Articles of this Code.

Terms of other branches of the legislation of the Republic of Kazakhstan, used in this Code shall be applied in the meaning, in which they are used in the relevant areas of legislation of the Republic of Kazakhstan, unless otherwise provided in this Code.

In case of discrepancy of the definitions of the budget legislation of the Republic of Kazakhstan with the definitions of other branches of legislation of the Republic of Kazakhstan, the concepts of the budget legislation of the Republic of Kazakhstan shall be used in relation to budget relations.

Footnote. Article 3, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dd. 19.01.2011 No. 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 22.07.2011 No. 475-IV (shall be enforced from the date of its first official publication); dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 28.12.2011 No. 524 -IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 4. The principles of the budget system of the Republic of Kazakhstan

The budget system of the Republic of Kazakhstan shall be based on the following principles:

1) the principle of unity - application of common principles of organization and functioning of the budget system, use of a single budget classification and common procedures of the budget process in the Republic of Kazakhstan;

2) the principle of completeness - reflection in the budget and the National Fund of the Republic of Kazakhstan of all the revenues and expenses, provided by the legislation of the Republic of Kazakhstan, and avoiding offset of mutual claims with using the budget funds, as well as assignments of claims on the budget funds;

3) the principle of realism - conformity of the approved (revised, adjusted) indicators of the budget to the approved (adjusted) parameters, areas of forecast of social and economic development, strategic plans of the state bodies;

4) the principle of transparency - the mandatory publication of regulatory legal acts in the field of budget legislation of the Republic of Kazakhstan, approved (revised, adjusted) budgets and performance reports, strategic plans and reports on their implementation, on the formation and use of the National Fund of the Republic of Kazakhstan, except information constituting a state or other secrets protected by Law, and mandatory transparency of the budget process to the public and the media;

5) the principle of consistency – compliance with the earlier decisions in the field of budgetary relations by the state bodies;

6) the principle of effectiveness - the development and implementation of the budget, based on the achievement of direct and final results, provided by the strategic plans of the state bodies

7) the principle of independence of the budget - the establishment of a stable distribution of revenues between the various budgets and determination of areas of their spending in accordance with this Code, the right of all levels of state administration to independently carrying out the budget process in accordance with this Code, the inadmissibility of seizure of proceeds, additionally received in the implementation of local budgets and surpluses of local budgets to higher budgets, the inadmissibility of laying on the lower budgets, additional costs without their corresponding recovery;

8) the principle of continuity – planning of the republican and local budgets, based on the forecasts of social and economic development, basic expenses, approved in previous periods, the results of budget monitoring, and evaluation of results;

9) the principle of reasonableness – planning of budget on the basis of regulatory legal acts and other documents, defining the need to include a budget project of some income and expenditure and the relevance of their size, and using of the budget funds and state assets in accordance with the legislation of the Republic of Kazakhstan;

10) the principle of timeliness - transfer of revenues to the republican and local budgets, to the cash control account of the National Fund of the Republic of Kazakhstan and their transfer to the account of the Government in the National Bank of the Republic of Kazakhstan, the assumption of obligations by the state institutions in accordance with individual plans of financing on obligations, payments in accordance with individual plans on financing of payments and the transfer of budget funds to the accounts of budget holders in terms and incompliance with the procedure, established by the relevant regulatory legal acts;

11) the principle of cash unity - transfer of all budget revenues to the single treasury

account and execution of all expenses from a single treasury account in national currency;

12) the principle of efficiency - the development and implementation of the budget, based on the need to achieve the best direct result with using the approved budget funds or the achievement of a direct result with using a smaller amount of the budget;

13) the principle of responsibility - taking the necessary administrative and management decisions, aimed at achieving the direct and final results, and ensuring the responsibility of managers of budgetary programs and heads of state institutions and quasi-public sector entities for making decisions, unconformable to the legislation of the Republic of Kazakhstan;

14) the principle of targeting and purposive character of the budget funds - the direction and use of budget funds by the administrators of budget programs, quasi-public sector entities to achieve the indicators for the result of performance, provided in strategic plans of state bodies, financial and economic feasibility of budget investment through the participation in the authorized capital of quasi-public sector entities in compliance with the legislation of the Republic of Kazakhstan.

Footnote. Article 4, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 5. Regulatory legal acts, affecting the income and expenses of the budget

1. Draft Laws, providing the reduction of income or increase of expenditures of the republican and local budgets may be submitted to the Mazhilis of the Parliament of the Republic of Kazakhstan only if they have a positive resolution of the Government of the Republic of Kazakhstan. The conclusion of the Government of the Republic of Kazakhstan is formed by taking the proposals of the Republican Budget Commission into account.

To draft Laws, introduced to the Mazhilis of the Parliament of the Republic of Kazakhstan as a legislative initiative of the President of the Republic of Kazakhstan, the presence of such conclusion is not required.

Provisions of the draft decrees of the President of the Republic of Kazakhstan and the resolutions of the Government of the Republic of Kazakhstan, providing the increase of costs or reduction of revenues of the republican or local budgets, shall be subject to the mandatory consideration of the Republican Budget Commission.

2. The provisions of the acts, specified in paragraph 1 of this Article may be shall be enforced not until the next financial year, provided that the positive conclusions of the Government of the Republic of Kazakhstan with the proposals of the Republican Budget Commission are given in the first half of this year.

If the positive conclusions are given in the second half of this year, these provisions can be put into effect not earlier than the financial year, following the planned one.

3. Draft decisions of the local representative bodies, providing for an increase of expenses or a decrease of incomes of local budgets may be submitted for consideration to maslikhats only in the presence of a positive conclusion of the akim.

The conclusion of the akim is formed with the proposals of the relevant budget commission .

The provisions of the draft acts of the local executive bodies, providing an increase of expenses or a decrease of incomes of local budgets shall be subjected to mandatory consideration of the relevant budget commission.

4. The provisions, specified in paragraph 3 of this Article may be put into effect not earlier than the next financial year in the presence of a positive conclusion of the akim with proposals of the relevant budget commission.

5. The provisions specified in paragraphs 2 and 4 of this Article shall not apply to the Laws on amendments and supplements to the Law on the republican budget and the decisions of

maslikhats on amendments and supplements to the solutions of maslikhats on the local budget, as well as on regulatory legal acts on their implementation.

6. The provisions, specified in paragraph 2 of this Article shall not apply to the regulatory legal acts, providing a change in tariff rates.

Chapter 2. TYPES AND LEVELS OF BUDGET

Article 6. General provisions on the types and levels of budget

1. The budgets of the following levels are approved, implemented and are separate budgets in the Republic of Kazakhstan: the republican budget, regional budget, the budgets of the city of republican significance and the capital, the budget of the district (city of regional significance).

Regional budget, the budgets of the city of republican significance and the capital, the budget of the district (city of regional significance) are the local budgets.

2. Emergency republican budget may be developed, approved and implemented in the Republic of Kazakhstan in the cases, specified in this Code.

3. The state and consolidated budget, the region budget are developed and used as the analytical information and shall not be subject to approval.

The State budget is the centralized monetary fund of the state, joining the republican and local budgets without inter-reimbursed transactions between them.

The Consolidated budget is the centralized monetary fund of the state, joining the republican budget, the budgets of regions, the city of republican significance and the capital and the proceeds sent to the National Fund of the Republic of Kazakhstan, excluding inter-reimbursed transactions between them.

The budget is the centralized monetary fund, joining the regional budget, the district budgets (city of regional importance) without inter-reimbursed transactions between them.

Article 7. Republican budget

1. The Republican budget is the centralized monetary fund to be formed from the proceeds, defined by this Code, and designed to financial support of the tasks and functions of the central state bodies, their subordinate state institutions, as well as the implementation of the nationwide trends of the state policy.

2. The Republican budget is to be approved by the Law of the Republic of Kazakhstan.

Article 8. Regional budget, the budgets of the city of republican significance and the capital

1. The regional budget, the budgets of the city of republican significance and the capital are the centralized monetary fund, formed from the proceeds defined by this Code, and designed to financial support of the tasks and functions of the local state bodies at the regional level, the city of republican significance and the capital, their subordinate state institutions and the implementation of state policy in the respective administrative-territorial unit.

2. The regional budgets, the budgets of the city of republican significance and the capital are approved by the decisions of the regional maslikhats and maslikhats of the city of republican significance and the capital.

Article 9. The budget of the region (the city of regional significance)

1. Budget of the region (city of regional significance) is the centralized monetary fund, formed from the proceeds defined by this Code, and designed to financial support of the tasks and functions of the local state bodies of the region (the city of regional importance), their subordinate state bodies and implementation of state policy in the respective region (the city of regional importance).

2. The budget of the region (the city of regional importance) is approved by the decision of maslikhat of the region (the city of regional importance).

Article 10. Emergency state budget

1. The emergency state budget is based on the state and local budgets and introduced in cases of emergency or martial Law in the Republic of Kazakhstan.

2. The Parliament of the Republic of Kazakhstan is immediately informed on adoption of the emergency state budget.

3. The validity of the Law on the republican budget and the decisions of maslikhats on the budgets of all levels of the local budget shall be suspended at the time of the validity of the emergency state budget.

4. The emergency state budget shall be valid during the period on which the emergency or martial Law is introduced.

Where the validity of the emergency state budget is suspended the republican and local budgets are to be clarified.

Chapter 3. STRUCTURE OF THE BUDGET

Article 11. Receipts of the budget

1. Budget receipts are the revenues, the repayment of budget loans, income from the sale of state assets, and loans.

2. Budget revenues are the tax, non-tax receipts, receipts from the sale of the fixed assets, income from transfers.

3. Revenues, except for the target transfers, have no intended use. New types of income may be introduced the existing ones may be cancelled with the mandatory introduction of amendments and supplements to this Code.

4. Tax revenues are the taxes and other obligatory payments to the budget, defined by the Tax and Customs Codes of the Republic of Kazakhstan.

5. Non-tax revenues are the mandatory, non-refundable payments to the budget, defined by this Code and other legislative acts of the Republic of Kazakhstan, except as provided by the Tax Code of the Republic of Kazakhstan, the customs legislation of the Customs Union and (or) of the Republic of Kazakhstan, and are not related to the proceeds of sales of the fixed assets , tied grants and the money transferred to the budget free of charge, except for transfers.

6. Proceeds from sale of fixed assets shall be the receipts of money to the budget:

1) from the sale of state property, assigned to the state bodies;

2) from the sale of goods of the state reserves;

3) from the sale of land plots, which are in state ownership, to private ownership or providing them to the permanent or temporary land use or implemented by other means in the manner prescribed by the Laws of the Republic of Kazakhstan and international treaties;

4) from the sale of intangible assets, owned by the state.

7. Transfer receipts are the receipts of transfers from one level of the budget to

another level, from the National Fund of the Republic of Kazakhstan to the republican budget.

8. Repayment amounts of the budget loans are the receipts of the budget, associated with the return of principal on the loans, received from the budget, as well as the requirements of the legal entities for the paid state guarantees.

9. Proceeds from the sale of state assets are the receipts of the budget from the sale of participating interests, securities of legal entities, including international organizations, which are state-owned, state institutions and state enterprises in the form of a property complex, and other state property in the operational control or management of the state enterprises.

10. Loans are receipt of the money to the budget, related to the issuance of government securities and (or) the conclusion of loan agreements.

Footnote. Article 11, as amended by the Laws of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dd. 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010).

Article 12. Budget expenditures

1. Budget expenditures are the expenses, budget credits, purchase of financial assets, and the repayment of loans.

2. Expenses are the budget funds, allocated on non-returnable basis.

3. Budget loans are the money, allocated from the budget on returnable, urgent and payment basis.

4. Purchase of financial assets is the budget funds, allocated for the purchase of the partnership interests to the state ownership and securities of legal entities, including international organizations.

5. Repayment of loans is the budgetary funds, allocated for repayment of principal in accordance with international treaties on state loans, ratified by the Republic of Kazakhstan, as well as on domestic loans.

Article 13. Budgetary structure

The structure of the budget consists of the following sections:

1) revenues:

tax revenues;

non-tax revenues;

proceeds from the sale of fixed assets;

transfers revenues;

2) expenses;

3) net budget crediting:

budget loans;

repayment of budget loans;

4) the balance on transactions with financial assets:

purchase of financial assets;

proceeds from the sale of state financial assets;

5) deficit (surplus) of the budget;

6) financing of the budget deficit(use of surplus):

receipt of loans;

repayment of loans;

used budgetary surpluses.

Article 14. The non-oil deficit (surplus) of the republican budget

1. The non-oil deficit (surplus) of the republican budget is equal to the sum of the receipts to the republican budget without receipts of the loans and receipts of guaranteed transfer from the National Fund of the Republic of Kazakhstan, less expenses of the republican budget, except for repayment of loans.

2. Non-oil deficit is not approved and used for analytical purposes. To reduce the dependence of budget expenses on the oil revenues, the amount of non-oil deficit in the long term should be reduced through the targeted development of non-oil sector of the economy.

Footnote. Article 14, as amended by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 15. Net budget credit

Net budget credit is defined as the difference between the budget loans and the repayment of budget loans.

Article 16. Balance on the transactions with financial assets

1. Transactions with financial assets shall include:

1) a purchase of financial assets;

2) revenues from the sale of state financial assets.

2. Balance on the transactions with financial assets is determined as the difference between the purchase of financial assets and the revenues from the sale of state financial assets.

3. Purchase of financial assets and revenues from the sale of state financial assets are carried out in accordance with the regulatory legal acts of the Republic of Kazakhstan.

Article 17. Deficit (surplus) of the budget

Deficit (surplus) of the budget is equal to the difference between the income and expenses, the net budgetary crediting and the balance on transactions with financial assets.

The value, obtained with a negative sign is the deficit, and with a positive sign is the budget surplus.

Article 18. Financing of the budget deficit (use of surplus)

1. Financing of the budget deficit is provided by covering the budget deficit at the expense of borrowing and used budgetary surpluses.

The amount of financing of the budget deficit is defined as the excess of the amount of loans of raised and the used budget surpluses over the capital for the repayment of loans.

The value of the financing of the budget deficit is set with the positive sign and equal to the budget deficit.

2. The use of the budget surplus is done by spending the budget surpluses, loans funds, used budget surpluses to repayment of principal debt on the loans.

The using volume of the budget surplus is defined as the excess of the amount of principal repayment on loans over the sum of received loans and used budgetary surpluses.

The value of using the budget surplus is set with negative sign and equal to the budget surplus.

Chapter 4. RESERVES OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN AND LOCAL EXECUTIVE BODIES

Article 19. General provisions on the reserves of the Government of the Republic of Kazakhstan and local executive bodies

1. Reserves of the Government of the Republic of Kazakhstan and local executive bodies are formed in the composition of the republican and local budgets for financing the costs, not planned in the development of republican and local budgets because of their unpredictability and requiring the urgent funding in the current financial year.

2. Reserve of the Government of the Republic of Kazakhstan shall include:

1) a contingency reserve;

2) a reserve for emergency expenses;

3)a reserve for the fulfillment of obligations under the court’s decisions;

4) a reserve for covering the cash deficits of the regional budgets, the budgets of the city of republican significance and the capital.

3. Reserve of the executive bodies at the regional level shall include:

1) a contingency reserve;

2) a reserve for emergency expenses;

3) a reserve for the fulfillment of obligations under the court’s decisions;

4) a reserve for covering the cash deficits of the regional budgets (the cities of regional significance).

4. Reserve of the executive bodies at the district level shall include:

1) a contingency reserve;

2) a reserve for emergency expenses;

3) a reserve for the fulfillment of obligations under the court’s decisions.

5. The total volume of the reserve of the Government of the Republic of Kazakhstan is established by the Law on the republican budget.

The total volume of the reserve of the local executive body shall not exceed two percent of the total income of the relevant local budget, excluding transfers and loans.

6. The allocation of money from the reserves of the Government of the Republic of Kazakhstan and local executive bodies shall be within the scope, approved by the republican and local budgets for the current financial year, by the regulations of the Government of the Republic of Kazakhstan and local executive bodies, which become inoperative at the end of the financial year.

To conduct rescue and recovery operations and other activities, related to elimination of the consequences of natural and man-made disasters, as well as situations that threaten the political, economic and social stability, life and health of people, with a term of implementation for more than one financial year, funds from the Government reserve are allocated with the definition of the total cost, and the amount of the current financial year and the amount by which the Government of the Republic of Kazakhstan shall adopt the decision additionally in the coming financial years.

In the event of deficiency of funds, provided for one of the types of reserves, the Government of the Republic of Kazakhstan or the local executive body shall increase the planning purposes of the corresponding reserve through the reallocation of the total volume of the reserves of the Government of the Republic of Kazakhstan and local executive bodies, in the established order.

7. Is excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Footnote. Article 19, as amended by the Laws of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 20. Use of the reserves of the Government of the Republic of Kazakhstan and the local executive bodies

1. Contingency reserve is used according to the elimination of emergency situations of natural and man-made disasters in the territory of the Republic of Kazakhstan and for the provision of official humanitarian assistance to other countries by the Republic of Kazakhstan.

2. Reserve for emergency expenses is used according to the elimination of situations that threaten the political, economic and social stability of the Republic of Kazakhstan or its administrative-territorial unit, as well as life and health of people. Reserve of the Government of the Republic of Kazakhstan to the emergency expenses can also be used for other incidental expenses, determined by the decisions of the Government of the Republic of Kazakhstan.

3. Reserve for performance of the obligations under the court's decisions is used to fulfill the obligations of the Government of the Republic of Kazakhstan, central state bodies, their departments and territorial subdivisions, local executive bodies under the courts' decisions.

4. The reserve for crediting the regional budget, the budgets of the city of republican significance and the capital is provided in the republican budget for the next financial year, in the case of the forecast the cash deficit of their budgets in the next financial year.

The reserve for crediting the budgets of the regions (the cities of regional importance) is provided in the regional budget for the next financial year, in the case of the forecast the cash deficit of their budgets in the next financial year.

Borrowing, in the case of the forecast the cash deficit in the next financial year, can be done for up to six months within the financial year and does not require the specification of the republican or local budgets.

5. In the case of using the money in full volume, provided in the reserve, the Government of the Republic of Kazakhstan or local executive body if necessary, shall put the proposal to increase the size of the reserves of the Government of the Republic of Kazakhstan or the local executive body through introduction of the amendments and supplements to the Law on the republican budget or the decision of the maslikhat on the local budget to the Parliament of the Republic of Kazakhstan or the corresponding maslikhat.

6. In the case of non-use or partial use of money during the financial year, allocated from the reserve of the Government of the Republic of Kazakhstan or the local executive body, the administrator of the budget program provides the return of the unused portion of the money, allocated to the appropriate budget by December 20 of the current financial year.

7. The procedure of using the reserves of the Government of the Republic of Kazakhstan and local executive bodies is established by the Government of the Republic of Kazakhstan.

Footnote. Article 20, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 5. FORMATION, USE AND MANAGEMENT OF NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN

Article 21. National Fund of the Republic of Kazakhstan

1. National Fund of the Republic of Kazakhstan presents the state assets in the form of financial assets, accumulated in the account of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan, as well as in the form of other assets, excluding intangible assets.

2. National Fund of the Republic of Kazakhstan is intended to ensure the social and economic development of the state through the accumulation of financial assets and other assets, excluding intangible assets, reduction of economic dependence on the oil sector and the impact of adverse external factors.

3. National Fund of the Republic of Kazakhstan provides saving and stabilization functions.

Saving function provides the accumulation of financial assets and other assets, excluding intangible assets, and the return on assets of the National Fund of the Republic of Kazakhstan in the long term with a moderate level of risk.

Stabilization function is designed to maintain a sufficient level of liquidity of assets of the National Fund of the Republic of Kazakhstan.

Part of the National Fund of the Republic of Kazakhstan, used for stabilization function is determined in the amount, necessary to provide the guaranteed transfer.

4. The formation and use of the National Fund of the Republic of Kazakhstan are determined by the situation in the global and domestic commodity and financial markets, the economic situation in the country and abroad, and the priorities of social and economic development while safeguarding macroeconomic and fiscal stability, and the compliance with the basic goals and objectives of the National Fund of the Republic of Kazakhstan.

5. Solutions, to improve the efficiency of formation and use of the National Fund of the Republic of Kazakhstan, as well as the volume and direction of its use are made by the President of the Republic of Kazakhstan.

6. The receipt and expenditure of the National Fund of the Republic of Kazakhstan are produced in the national and foreign currencies.

Accounting and reporting operations of the National Fund of the Republic of Kazakhstan are made in the national currency.

7. Trust Management of the National Fund of the Republic of Kazakhstan is carried out by the National Bank of the Republic of Kazakhstan on the basis of the trust management agreement, concluded between the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Drafting the annual financial statements on the results of trust management of the National Fund of the Republic of Kazakhstan is carried out by the National Bank of the Republic of Kazakhstan in accordance with the trust management agreement.

Footnote. Article 21, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 22. Sources for formation of the National Fund of the Republic of Kazakhstan

1. The sources for formation of the National Fund of the Republic of Kazakhstan are:

1) receipts to the National Fund of the Republic of Kazakhstan;

2) investment income from the management of the National Fund of the Republic of Kazakhstan;

3) other receipts and income, not prohibited by the legislation of the Republic of Kazakhstan.

2. Receipts to the National Fund of the Republic of Kazakhstan shall consist of:

1) direct taxes from the oil sector organizations (except for taxes to the local budgets), which include:

corporate income tax, excess profits tax;

severance tax, bonuses, share of production sharing;

rent tax on exports;

additional payment of subsoil users, carrying out activities under the production sharing contract;

2) other income from operations, carrying out by the organizations of the oil sector (other than to the local budgets), including income for violating the conditions of oil contracts (other than to the local budgets);

3) proceeds from the privatization of state property, which are in the republican ownership and belonging to the mining and manufacturing industries;

4) income from the sale of agricultural land.

3. The organizations of the oil sector are legal entities, engaged in the production and (or) sale of crude oil, gas condensate, and also signed a contract for the exploration of crude oil and gas condensate.

The list of organizations of the oil sector for the next financial year is approved by December 20 of the current financial year jointly by the central authorized body for the implementation of the budget and the state body, performing state regulation in the field of oil operations, execution and performance of contracts.

4. Investment income from the management of the National Fund of the Republic of Kazakhstan is formed from the placement of the National Fund of the Republic of Kazakhstan in financial instruments, except for intangible assets.

Article 23. Use of the National Fund of the Republic of Kazakhstan

1. The National Fund of the Republic of Kazakhstan is spent:

1) as a guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget;

2) is excluded by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced after ten calendar days after its first official publication);

3) on covering of expenses, associated with the management of the National Fund of the Republic of Kazakhstan and conducting the annual audit.

2. The National Fund of the Republic of Kazakhstan is located in the approved financial instruments, except for intangible assets, in order to ensure:

1) a preservation of the National Fund of the Republic of Kazakhstan;

2) maintaining of a sufficient level of liquidity of the National Fund of the Republic of Kazakhstan;

3) a high level of profitability of the National Fund of the Republic of Kazakhstan in the long term with a moderate level of risk;

4) reception of the investment income in the long term.

3. The list of permitted financial instruments, except for intangible assets, is determined by the Government of the Republic of Kazakhstan together with the National Bank of the Republic of Kazakhstan, at the suggestion of the Council for management of the National Fund of the Republic of Kazakhstan.

4. The National Fund of the Republic of Kazakhstan may not be used for crediting individuals and legal entities, and as ensuring the performance of obligations.

5. The procedure of entering assets to the National Fund of the Republic of Kazakhstan and the use of the National Fund of the Republic of Kazakhstan is determined by the Government of the Republic of Kazakhstan.

6. Assets, transferred to the National Fund of the Republic of Kazakhstan or withdrawn from the National Fund of the Republic of Kazakhstan shall be subjected to conversion or re-conversion in the manner, prescribed by the National Bank of the Republic of Kazakhstan.

Footnote. Article 23, as amended by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 24. Guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget

1. A guaranteed transfer from the National Fund of the Republic of Kazakhstan is non-returnable revenues to the republican budget from the National Fund of the Republic of Kazakhstan.

2. The size of the guaranteed transfer from the National Fund of the Republic of Kazakhstan is determined in absolute fixed value and approved by the Law of the Republic of Kazakhstan.

3. The amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan, not listed for the financial year to the republican budget of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan on the proposal of the Republican Budget Commission and in the accordance with the procedure, approved by the Government of the Republic of Kazakhstan shall have the right to use the current budget program and budget development programs in the current financial year for the finance, approved in the republican budget for the past financial year, in the amount not exceeding the amount of the unpaid recorded liabilities to the budgetary programs for which civil transactions are concluded in accordance with paragraph 5 of Article 96 of this Code, by adjusting the budget.

4. The involvement of the amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan, not listed for the financial year to the republican budget shall be to the amount of difference of unpaid registered obligations of last financial year to the current budget programs, budget development programs and budget surpluses at the beginning of the financial year.

Footnote. Article 24, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 25. Management Council of the National Fund of the Republic of Kazakhstan

1. Management Council of the National Fund of the Republic of Kazakhstan is an advisory body to the President of the Republic of Kazakhstan, developing proposals for the effective use of the National Fund of the Republic of Kazakhstan and its placement in financial instruments, except for intangible assets.

2. The functions of the Management Council of the National Fund of the Republic of Kazakhstan are:

1) development of proposals to improve the formation and use of the National Fund of the Republic of Kazakhstan;

2) consideration and development of proposals for the volume and direction of use of the National Fund of the Republic of Kazakhstan;

3) development of proposals for the list of approved financial instruments, except for intangible assets, for placement the National Fund of the Republic of Kazakhstan.

3. The decision to establish the Management Council of the National Fund of the Republic of Kazakhstan, its composition and regulations shall be approved by the President of the Republic of Kazakhstan.

Chapter 6. UNIFIED BUDGET CLASSIFICATION

Article 26. Identification of unified budget classification

1. Unified budget classification is a grouping of income and expenditure of budget for functional, departmental and economic characteristics with the assignment of grouping codes to the classification objects.

2. The budget process is based on the unified budget classification.

3. Unified budget classification is made on the basis of legislative acts of the Republic of Kazakhstan, the decrees of the President of the Republic of Kazakhstan, the decisions of the Government of the Republic of Kazakhstan in the manner, determined by the central authorized body for budget planning.

4. Unified budget classification is developed and approved by the central authorized body for budget planning.

Footnote. Article 26, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 27. Composition of unified budget classification

Unified budget classification shall include:

1) a classification of budget revenues;

2) a functional classification of budget expenditures;

3) an economic classification of expenditures.

Article 28. Classification of budget revenues

1. Classification of budget revenues is a grouping of budget revenues of all levels for certain characteristics, based on the budget legislation of the Republic of Kazakhstan.

2. Grouping classification of the budget revenues consists of categories, classes, subclasses and specificity.

The categories represent grouping the revenues on economic grounds.

Classes and subclasses group revenues by their sources and types.

Specificity determines the form of payment or budget revenues.

Article 29. Functional classification of budget expenditures

1. Functional classification of budget expenditures is grouping the expenditures of budgets of all levels, determining the direction of budget spending by functional and departmental signs, reflecting the implementation of the State functions, implementation of strategic and program documents of the Republic of Kazakhstan, the strategic plans of state bodies.

2. Grouping of functional classification of the budget expenditures consists of the following levels:

functional groups;

functional sub-groups;

administrators of budget programs;

budget programs (subprograms).

3. On the basis of the functional classification of the budget expenditures, departmental classification of budget expenditures can be formed, compiled by grouping the administrators of

budget programs and budget programs (subprograms).

Footnote. Article 29, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 30. Economic classification of budget expenditures

1. Economic classification of budget expenditures is the grouping of budget expenditures on economic performance, reflecting the operations conducted by state institutions for the implementation of budget programs.

2. Grouping of economic classification of budget expenditures consists of the category, class, subclass and specificity.

The category shall group the spending on economic grounds. The class and subclass shall group expenditures on the main types of transactions, conducted by state institutions. Specificity determines the type of operations, carried out by state institution for the implementation of the budget program.

3. The structure of the specifics of economic classification of budget expenditures is developed and approved by the central authorized body for budget planning.

Footnote. Article 30, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 31. The administrator of the budget programs

1. The administrator of the budget programs is the state body, responsible for the planning, study, implementation and achieving the results of budget programs.

The administrator of the budget programs is determined according to the functions and powers entrusted to it.

Budget programs for which the implementation of budget investment is planned by the state's participation in the authorized capital of the national holdings and national management holding company, providing the implementation of projects in various sectors of the economy, which cannot be attributed to the competence of a single administrator of budget programs, the administrator shall be the central authorized body for state planning.

2. The administrator of budget programs uses budget funds independently in the case, if it is both the administrator of the budget program and the state institution.

3. Structural and territorial subdivisions of state bodies cannot be administrators of budget programs, with the exception of Law enforcement agencies of the region, the city of republican significance and the capital, which are the regional administrators of budget programs, the budget programs of the city of republican significance and the capital.

4. Administrators of the republican budget programs are the central executive and other central state bodies.

5. Administrators of local budget programs are determined based on a model structure of the local government, approved by the Government of the Republic of Kazakhstan.

6. Administrators of regional budget programs, budget programs of the cities of republican significance and the capital are the administrations of Akims and regional maslikhats, the maslikhats of the cities of republican significance and the capital, executive bodies, the audit commissions of the regions, cities of republican significance and the capital, authorized by akimats of the regions, cities of republican importance, the capital and the Law enforcement agencies of the regions, cities of republican significance and the capital.

7. Administrators of district (municipal) budget programs are the administration of akim and maslikhat of the region (the city of regional importance), executive bodies, authorized by

akimat of the district (the city of regional importance).
8. Administrators of budget programs of districts in the urban areas, the city of regional importance, village, aul (rural) districts are the administration of Akims of the respective administrative-territorial units.
Footnote. Article 31, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 32. Budget programs

1. Budget program shall determine the direction of the budget expenditures, interlinked with the strategic directions, goals, objectives, performance indicators as established in the strategic plan of the state body, which has outcome measures and amount of funding expenditures .
Note of the RCLI!
Paragraph 2 stipulated in the Law of the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced 01.01.2015).
2. Budget programs are developed by the administrator of budget programs and approved as part of the strategic plan of the state body.
Administrators of budget programs, not developing strategic plans, shall develop budget programs with the planned budget funds for the planning period, indicators of effectiveness and efficiency in order, determined by the central authorized body for budget planning.
Budget programs of administrators of the republican budget programs, not developing strategic plans are approved by the chief executive of the administrator of budget programs.
Budget programs of the audit commissions of the regions, cities of republican significance and the capital are approved by the Chairman of the respective audit commission.
Budget programs, which administrators are the administration of maslikhats of regions, cities of republican importance, capital, districts (the cities of regional significance), are approved by the Secretary of the respective maslikhat.
Budget programs, which administrators are the executive bodies, financed from the budget of the region (the city of regional importance), are approved by the district akimat (the city of regional importance).
3. Budget programs are developed based on the principles of necessity and sufficiency for the solutions of goals and objectives, contained in the strategic plan.
Budget programs should be grouped into homogeneous state functions in content, authority and state services or activities of the administrator of budget programs.
4. Budget program for theassess of its implementation should contain the indicators of direct and final results, and the budget program may include the indicators of quality and efficiency.
Quality indicators shall reflect the extent to which the providing public services comply with the expectations of its recipients and public service standards.
Performance indicators shall reflect the achievement of the best direct result with using the approved budget funds or achievement of a direct result with use of a smaller amount of the budget funds.
5. Budget program can be divided into sub-programs which specify the areas of budget spending, upon the condition that the same performance of results is applied for budgetary sub-programs as for the budget programs.
5-1. By targeted transfers, passed to lower budgets, the performance results are indicated by the respective local budget programs, aimed at the implementation of activities by the targeted transfers from the higher budget.
5-2. For each budget program the head of budget program that is an official of the

administrator of budget programs, providing planning and execution of the budget program is set .

Head of the budget program shall be liable in accordance with the laws of the Republic of Kazakhstan for the poor planning and failure to achieve the results of the budget program.

6. The order of development of the budget programs (subprograms) and the requirements for their content are determined by the central authorized body for budget planning.

Footnote. Article 32, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No.102-V (shall be enforced from the date of its first official publication), dated 03.12.2013 No. 150-V (the order of enforcement see Art. 2).

Article 33. Types of budget programs

1. Depending on the content, the budget programs are divided into the programs, aimed at:

implementation of state functions, authority, and provision of state services arising from them;

providing transfers and budget subsidies;

provision of budget credits;

implementation of budget investments;

implementation of capital expenditures;

execution of the state obligations;

investment of the specific deposit.

2. Depending on the level of the state administration, the budget programs are divided into:

1) the republican, approved as a part of the republican budget;

2) the regional, city of republican significance and the capital, approved as a part of the regional budget, the budgets of the city of republican significance and the capital;

3) the district (city), approved as a part of the district budget (the city of regional importance);

4) the budget programs of the area in the city, the city of regional importance, village, aul (village), aul (rural) district, approved as a part of the budget of the city of republican importance, capital and the budget of the region (the city of regional importance).

Budget programs of the region, city of republican importance, capital, district (city) and budget programs of area in the city, the city of regional importance, village, aul (village), aul (rural) districts are the local budget programs.

3. Depending on the method of implementation the budget programs are divided into:

1) individual budget programs implemented by one administrator;

2) distributed budget programs, approved in the budget as a part of the budget programs of the definite administrator of budget programs and subjected to distribution during the current financial year among various administrators of budget programs.

The distribution of the budget programs shall be in the manner, determined by the Government of the Republic of Kazakhstan.

In the case of an incomplete division of expenses, specified in the approved (specification) budget on the distributed budget programs, aimed at the use of the reserves of the Government of the Republic of Kazakhstan and local executive bodies, as well as for conventionally financed spending, the undistributed amount is not the failure of the budget.

4. Budget programs are divided into the current budget programs and the budget development program with assignment of a corresponding feature (code) in the unified budget classification.

The budget development programs shall include the budget expenses, aimed at implementation of budget investment. The remaining expenses of the budget are the current budget programs.

Footnote. Article 33, as amended by the Laws of the Republic of Kazakhstan dd. 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dd. 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication).

Article 34. Budget programs, aimed at the implementation of state functions, authority and the provision of public services arising from them

1. The cost of the budget program, aimed at the implementation of state functions, authority and the provision of public services, arising from them, shall include all the current costs, associated with them.

2. The names of the budget programs shall reflect the content of providing state functions, authority and the provision of public services arising from them or activities of the state body.

3. The state social order performed by non-government organizations is funded on the budget programs, aimed at providing public services.

Footnote. Article 34 is in the wording of the Law of the Republic of Kazakhstan dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days after its first official publication).

Article 35. Budget programs, aimed at providing transfers and budget subsidies

1. Budget programs, aimed at providing transfers and budget subsidies are:

1) transfers between levels of budgets;

2) transfers to individuals, other than cash payments to employees of state institutions;

3) budget subsidies to individuals and legal entities.

2. Transfers between budget levels are unpaid and unrecoverable payments from one level of the budget to another, except the cases provided in this Code.

3. Transfers to individuals, except for payments to employees of state institutions are the cash payments to individuals, designed to increase their disposable income for either full or partial reimbursement of certain costs or damages, provided by the legislative acts of the Republic of Kazakhstan.

4. Budget subsidies are non-refundable payments from the budget, which are provided to individuals and legal entities, including peasant farmers, or, if there are no other way to carry out the state functions and implementation of the social and economic development objectives of the republic or region, in the cases, stipulated by legislative acts of the Republic of Kazakhstan.

5. Procedure for the payment of subsidies from the budget is determined by the Government of the Republic of Kazakhstan.

Article 36. Budget programs, aimed at providing the budget loans

Budget loans shall be applied for:

1) the implementation of budget investment projects;

2) the implementation of foreign economic activity of the state;

3) the implementation of public investment policy by financial agencies;

4) cover the cash deficit of lower budgets;

5) the solution of problems of state social policy.

Footnote. Article 36, as amended by the Law of the Republic of Kazakhstan dd.16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 37. Budget programs, aimed at the implementation of budget investments

Budget investments are made through the implementation of budget investment projects and through the participation in the authorized capital of legal entities.

Footnote. Article 37 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 38. Budget programs, aimed at the implementation of capital expenditures

The capital expenditures shall include the expenditures aimed at formation or strengthening the material-technical base, for the capital (replacement) repair and other capital expenditures in accordance with the economic classification of expenditures, except for budget investment.

Footnote. Article 38, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 39. Budget programs aimed at the fulfillment of the state obligations

Budget programs, aimed at the fulfillment of the state obligations are:

aggregate payments of remuneration, fees, fines and other payments, arising from the terms of borrowing, and payment on the hedging transaction in a specific period of time;

repayment the amount of the received loan in the manner prescribed in the loan agreement by the borrower and the performance of the other state obligations, arising from the loan agreement;

share and donor contributions to the international organizations, which member is the Republic of Kazakhstan;

fulfillment of the obligations on the state guarantees and sureties;

fulfillment of the state concession liabilities;

other obligations of the state under the international treaties ratified by the Republic of Kazakhstan and the legislative acts of the Republic of Kazakhstan or court decisions.

Footnote. Article 39, as amended by the Law of the Republic of Kazakhstan dated23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 04.07.2013 No. 131-V (shall be enforced from the date of its first official publication).

Article 39-1. Budget programs, aimed at the investment of special deposit

Note of the RCLI!

Paragraph 1 shall be stipulated in the Law of the Republic of Kazakhstan dated 03.12.2013 No. 151-V (shall be enforced from 01.01.2014).

1. Special deposit is gratuitous and non-repayable payments from the budget to the activity of autonomous educational institutions and (or) non-profit organization, established in the legal organizational form of the fund, solely for financing the autonomous educational

institutions and their institutions.

2. Special deposit is used for the purposes, specified in the regulatory legal acts of the Republic of Kazakhstan.

3. Investment of special deposit is performed through the appropriate administrators of budget programs.

Note of the RCLI!

Paragraph 4 shall be stipulated in the Law of the Republic of Kazakhstan dated 03.12.2013 No. 151-V (shall be enforced from 01.01.2014).

4. The performance indicators of the special deposit to the activity of autonomous educational institutions are identified in the strategic plan or budget programs of the relevant administrators of budget programs.

Autonomous educational institutions are responsible for the achievement of the performance indicators of the special deposit to their activities, identified in the strategic plan or budget programs of the relevant administrators of budget programs.

5. Cost planning for budget programs, aimed at the investment of special deposit is performed through compiling the budget request in accordance with the procedure established by the authorized body for budget planning.

6. Financing of the budget programs, aimed at the investment of special deposit is performed in accordance with the procedure established by the Government of the Republic of Kazakhstan.

Footnote. Chapter 6 shall be supplemented by Article 39-1 in accordance with the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon the expiry of ten calendar days after its first official publication), as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 40. Classification of expenditures of the state bodies, carrying out intelligence and counter-intelligence activities, and their institutions, as well as ensuring the security of protected persons and objects

Expenditures of the state bodies, carrying out intelligence and counterintelligence activities, and their institutions, as well as ensuring the safety of protected persons and objects are classified by a single functional group, with the reflection of one specific economic classification of expenditures for the following budget programs:

for one budget program designed to perform state functions and authority, providing transfers and making capital expenditures;

for one budget program aimed at the implementation of budget investment.

Article 41. State task

1. State task is an order to the legal entities with the state participation in the authorized capital, the organizations within the group the National Welfare Fund, autonomous educational institutions and their institutions, established by the Government of the Republic of Kazakhstan for the provision of certain public services, the implementation of the budget investment projects and other tasks aimed to ensure social and economic stability of the state.

Budgetary allocation to the legal entities with the state participation in the authorized capital, the organizations within the group the National Welfare Fund, to perform the state tasks is executed without increasing the authorized capital of these entities.

2. Planning of the state task shall be performed in compliance with the requirements of this Code in the development of budget.

3. Fulfillment of state task is carried out within the frame of the approved budget

program by conclusion of a civil transaction between the budget program administrator and executor of the state task with indication of the performance indicators.

Fulfillment of state task is carried out without following the tender procedures, provided by the legislation of the Republic of Kazakhstan on the state procurement.

4. The list of state tasks, administrators of budget programs and legal entities, who are responsible for the implementation of public tasks, is approved by the Government of the Republic of Kazakhstan annually.

5. The order of development and performance of state task shall be determined by the Government of the Republic of Kazakhstan.

Footnote. Article 41, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); dated 19.01.2011 No. 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 01.02.2012 No. 551-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 130-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 41-1. Conventionally financed spendings

Conventionally financed spendings are the spendings of the republican budget, distributing in addition to the approved budget programs upon the occurrence of the conditions, specified in this Article for the best direct result.

The total volume of conventionally financed spendings should not exceed four per cent of the spendings of the republican budget for the next financial year.

Conventionally financed spendings are planned in the formation of the republican budget for the planning period in compliance with the requirements of this Code in the development of budget.

The list and the amount of conventionally financed spendings are formed by the central authorized body for budget planning, and considered by the Republican Budget Commission and approved as part of the forecast of the social and economic development. Conventionally financed spendings in the republican budget for the planning period are provided on a separate budget allocated program, administered by the central authorized body for budget planning.

Conventionally financed spendings are shared to the administrators of budget programs, provided that the performance of budget revenues in the first quarter is exceeded the approved planning indicators for the reporting period, and upon the condition of prediction to improve the parameters of social and economic development for the current financial year by the decision of the Government of the Republic of Kazakhstan. Timeliness of budget funds within the budget programs, provided in the budget of the current financial year, social expenses, completion dates of the assumed obligations on the budget programs in the current financial year shall be taken into account.

The order of allocation of conventionally financed spendings is defined by the Government of the Republic of Kazakhstan.

Footnote. Chapter 6 shall be supplemented by Article 41-1 in accordance with the Law of the Republic of Kazakhstan dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced from the date of its first official publication).

Chapter 7. INTERGOVERNMENTAL FISCAL RELATIONS

Article 42. General provisions on intergovernmental fiscal relations

1. Intergovernmental fiscal relations are the relations between the republican, regional budget, the budgets of the city of republican importance, the capital, and districts (the cities of regional importance) in the budget process.

2. The relationships of the republican budget with the budgets of regions (the cities of regional importance) and the budgets of districts (the cities of regional importance) with each other are not allowed in the budget process.

3. According to the decision of the Government of the Republic of Kazakhstan the relationships of the regional budget, the budgets of the city of republican significance and the capital with other regional budgets, the budgets of the city of republican significance and the capital, and in the case of emergency situations of natural and man-made threats to the political, economic and social stability of the administrative-territorial unit, the life and health of people, implementation of the events of republican or international importance on the application of akims of the regions, the city of republican significance and the capital, and on behalf of the President of the Republic of Kazakhstan shall be allowed in the budget process .

4. Intergovernmental fiscal relations are based on a clear division of responsibilities and powers between the levels of state administration, a single distribution of income and expenditure between the republican, regional budget, the budgets of the city of republican importance, capital and district (the cities of regional importance), as well as the unity and transparency of methods for the determination of intergovernmental transfers.

5. The intervention of the Government of the Republic of Kazakhstan and the central state bodies, local executive bodies of regions in the budget process of the region, city of republican importance, capital and districts (the cities of regional importance) is not permitted, except the cases provided in this Code.

6. The level of the budget, at the expense of which the costs should be funded and where the receipts should be credited, is not allowed to establish in other legislative acts of the Republic of Kazakhstan, except for this Code.

The transfer of expenses and certain types of receipts from one level of the budget to another shall be only when the amendments and supplement to the Code are made.

7. Compensation for losses of lower budgets, arising from the adoption of regulatory legal acts by higher authorities, which entail the increase of costs and (or) decrease of revenues during the period of activity of three-year volume of transfers of a general nature, shall be compulsory through the allocation of targeted current transfers from the higher budget .

8. Compensation for losses of higher budgets, arising from the adoption of legislative acts that entail the increase of costs due to the transfer of state functions from the lower level of state administration to the superior during the period of activity of the three-year volume of transfers of a general nature, shall be compulsory through the allocation of targeted current transfers from the lower budget.

Footnote. Article 42, as amended by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 43. Principles of intergovernmental fiscal relations

Intergovernmental fiscal relations are based on the following principles:

1) the equality of the regional budgets, the budgets of the city of republican significance and the capital in the relationship with the republican budget, the budgets of regions (the cities of regional importance) in the relationship with the superior regional budget;

2) the effective distribution of the proceeds, taking into account the simultaneous observation of the following criteria for their separation:

for the lower budgets the tax and non-tax revenues, which are stable and independent of external factors shall be fixed;

tax and non-tax revenues, representing the payment for services, rendered by state institutions arrive to the budget, whereof these services are funded;

taxes, having redistributive character and uneven distribution of the tax base are assigned to the higher levels of the budgets of the budgetary system;

when fixing taxes and other obligatory payments to the budget, the preference is given to the level of the budget, which will ensure the highest level of their collection;

taxes charged on the tax base, which has the clear territorial binding, are assigned to the local budgets;

3) the equalization of the level of fiscal capacity of the administrative-territorial units of the Republic of Kazakhstan;

4) ensuring the provision of the same level of public services by local executive bodies;

5) the efficiency and effectiveness of public services –the strengthening of public services for the level of government that can ensure the most effective and efficient provision of public services;

6) the maximum approaching of the level of public services to its beneficiaries - the transfer of execution of services at the lowest possible level of the budget system in order to better address the needs of the beneficiaries and the improvement of quality of public services .

Article 44. Forms of regulation of intergovernmental fiscal relations

1. Intergovernmental fiscal relations are regulated:

1) between the republican and the regional budget, the budgets of the city of republican status and the capital:

transfers;

budget loans;

2) between the regional and district (the city of regional importance) budgets:

transfers;

budget loans;

standards of income distribution.

2. Transfers between the levels of budget are divided into general transfers, target current transfers, targeted transfers for development.

3. Targeted transfers and budget loans are used only by local executive bodies in accordance with their purpose, specified in the relevant budget programs.

4. The amounts of targeted transfers and budget loans, which are not used for the intended purpose shall be subjected to mandatory return to a higher budget, which provided the transfers and loans within a month after the signing of the act of control in the order established by the Government of the Republic of Kazakhstan, in accordance with the act of the body for state financial control.

5. According to the decision of the Government of the Republic of Kazakhstan the amount of targeted transfers for development, allocated from the republican budget and unused (under-used) during the financial year, with the exception of the allocated from the reserve of the Government of the Republic of Kazakhstan, can be used (re-used) in the next financial year, in accordance with their intended purpose.

By the decision of the local executive body the amount of targeted transfers for development, allocated from the regional budget and unused (under-used) during the financial year, with the exception of the allocated from reserve of the local executive body of region, can be used (re-used) in the next financial year, in accordance with their purpose.

6. In the case of savings on the use of targeted transfers for development, allocated from the republican or regional budget in the past financial year, the local executive bodies may use the appropriate amount of savings to improve the performance results of budget programs

, for which the targeted transfers for development are used from the higher budget to the end of the current financial year in accordance with the decision of the Government of the Republic of Kazakhstan or the local executive body.

7. The amount of targeted transfers for development, allocated in the past financial year and unused (under-used) during the financial year, the amount permitted to use (re-use) shall be subject to return to a higher budget, allocating them to the end of the financial year in accordance with the decision of the Government of the Republic of Kazakhstan or the local executive body.

The amount of targeted transfers, allocated from the republican or regional budget and unused in the past financial year, and for which the Government of the Republic of Kazakhstan or the local executive body have not made the decision on the future use (re-use) in the current financial year, shall be returned to a higher budget, allocated them before March 1 of the current financial year due to budget surpluses to the beginning of the year.

Footnote. Article 44, as amended by the Law of the Republic of Kazakhstan dd. 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010); as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon the expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 45. Transfers of a general character

1. Transfers of a general character are budgetary subventions and budgetary withdrawals.

2. Budgetary subventions are the transfers, sent from the higher budgets to the lower budgets within the amounts, approved in the republican or regional budget.

3. Budget withdrawals are the transfers, passed from the lower budgets to the higher budgets within the amounts, approved in the republican or regional budget.

4. The volume of transfers of a general nature is set in absolute terms on a three year period, by year:

between the republican budget and the regional, the city of republican significance and the capital budgets –by the Law of the Republic of Kazakhstan;

between the regional budget and the budgets of districts (the cities of regional importance) –by the decision of the regional maslikhat.

The volume of transfers of a general nature is subject to change every three years.

4-1. To the Law (decision of the regional maslikhat) on the volume of transfers of a general nature

The minimum amount of funding from the local budget of separate direction expenditures;

The activities, further included in the cost base of expenditures of the local budgets in determining the volume of transfers of a general nature within the regions, cities of republican significance, capital indicating the volume of financing, shall be included.

Spending priorities and minimum amounts of their funding from the regional budget, the city of republican significance, capital shall be determined by the central authorized body for state planning, from the regional budget, the budget of district (the city of regional significance) shall be determined by the local authorized body for state planning.

Spending priorities, for which sets the minimum amounts of funding from the local budget shall be determined in accordance with their priority and social significance.4-2. In the case of financing by local executive bodies of the separate direction expenditures from the local budget below the minimum volume established by the Law (decision of the regional maslikhat) on the volume of transfers of a general nature, the difference between the prescribed amount and the sum paid by the end of the past financial year shall be returned to a higher budget no later than 1 March of current financial year.

In the case of financing by local executive bodies of the separate direction expenditures from the local budget below those, established by the Law (decision of the regional maslikhat) on the volume of transfers of a general nature, akim of the region, the city of republican significance, capital, district, the city of regional significance shall responsible in accordance with the Laws of the Republic of Kazakhstan.

5. Transfers of a general nature are intended to equalize the level of fiscal capacity of regions and ensuring the equal fiscal capacity to provide the services guaranteed by the state in accordance with the directions of the costs, established by this Code to each level of the budget.

6. In determining the transfers of a general nature, the tax potential of the region, the number of users of public services in the region, the approved standards of public services and the factors affecting the cost of providing public services are taken into account depending on the specifics of a particular region.

7. The volume of transfers of a general nature is defined as the difference between the predicted amounts of income (net of transfers) and the expenses of the relevant local budget.

The volume of transfers of a general nature is determined by the central and local authorized bodies for state planning.

8. When exceeding the predicted amounts of income over the predicted amounts of expenses of the local budget, the budget withdrawals from the local budget to the higher budget are set.

When exceeding the predicted amount of expenses over the predicted amount of income of the local budget, the budget subventions to local budgets from the higher budget are set.

9. Predicted amounts of income and expenditure of local budgets are calculated based on the method of calculation of general transfers, determined by the Government of the Republic of Kazakhstan.

10. When calculating the amount of transfers of a general nature the targeted transfers and budgetary loans, allocated from the higher budget in the planning period, the expenses of the debt of the local executive body are not considered.

11. Procedure and frequency of transferring the transfers of a general nature are determined by the Government of the Republic of Kazakhstan.

Footnote. Article 45, as amended by the Law of the Republic of Kazakhstan dd. 24.11.2011 No. 495-IV (shall be enforced upon the expiry of ten calendar days after its first official publication), dated 15.04.2013 No. 89-V (shall be enforced upon the expiry of thirty calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon the expiry of ten calendar days after its first official publication).

Article 46. Targeted transfers

1. Targeted transfers are divided into the targeted current transfers and targeted transfers for development.

2. The targeted current transfers are the transfers that are passed in the period of activity of the three years volume of transfers of a general nature in the amounts, approved in the republican or local budgets:

1) by the higher budgets to the lower budgets, in order to compensate the loss of the lower budgets, resulting from the adoption of the legislative acts, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, the representative and executive bodies of regions, entailing the increase of expenses and (or) the reduction of income of local budgets;

2) by the lower budgets to the higher budgets, in order to compensate the loss of the higher budgets, resulting from the adoption of legislative acts, acts of the President of the Republic of Kazakhstan, entailing the increase of expenses of the higher budget in connection with the transfer of state functions from a lower level to a higher level of state administration.

3. The targeted transfers for development are the transfers sent by the higher budgets to the lower budgets in the amounts, approved in the republican or regional budget for the implementation of local budgetary development programs.

4. Local executive bodies to determine the amounts of targeted transfers for development

shall present the application with a list of local budget investment projects and the amount of expenditure on them to the appropriate higher body.

5. The costs of local budget programs for development are determined in local budgets with the amount of data sent to the development of targeted transfers.

The targeted transfers to development for the implementation of local budgetary investment projects are allocated in one lump sum without each object distribution to the lower budgets.

Distribution of the targeted transfers for development between the local budgetary investment projects is carried out by local executive bodies, considering the amount of funding provided in the respective local budgets for these purposes, in the manner, established by the Government of the Republic of Kazakhstan.

5-1. Targeted transfers for development from higher budget to lower budgets shall be allocated by co-payment of investments from the lower local budget.

6. The targeted transfers for development are allocated to the lower budgets in the case of a direct result of the local budget investment projects, defined in the agreements on the results for targeted transfers for development, selected in the previous financial year. In the case of non-achievement such results, the target transfer for development shall not be available in the coming financial year.

7. The costs, associated with an increase in the estimated cost of the local budgetary investment projects, implemented through the targeted transfers for development from the higher budget, in connection with the adjustment of construction documents or the inclusion of additional components that are not provided in the feasibility study or project types, are implemented at the expense of the local budget.

In case of insufficiency of funds in the local budget for the expenditures to increase the estimated cost of the local budgetary investment project, which has strategic and (or) social importance and implemented through the targeted transfers for development from the republican budget in the capital, in connection with the adjustment of construction documents or the inclusion of additional components to it that are not provided in the feasibility study or project types, of the amounts to more than 1000000 times of the monthly calculation indices, established by the Law on the republican budget, shall be covered by the republican budget.

8. The order for considering and selecting of the targeted transfers for development is established by the Government of the Republic of Kazakhstan.

9. Allocation of funds to the lower budgets from the reserves of the Government of the Republic of Kazakhstan and local executive body of the area is carried out in the form of targeted transfers.

10. Targeted transfers to the lower budgets are transferred by the administrator of the budget programs of the higher budget based on the agreement on the results for targeted transfers, individual financing plan of the appropriate budget program for payment, approved in the established order.

11. The agreement on the results for targeted transfers is a document containing:

goals and objectives, for the solution of which the targeted transfers are transferred;

direct and final results, which should be achieved through the use of the targeted transfers;

obligation to make a report on the achieved direct and final results to the administrator of the budget program of the higher budget by the local executive body;

other conditions determined by the decision of the parties.

12. The agreement on the results for targeted transfers, provided by the higher budget to the lower budget, shall be concluded not later than January 20 of the current financial year between the administrator of the higher budget program and the relevant local executive body for one financial year.

12-1. The administrator of the budget program of the higher budget does not conclude an agreement on the results for targeted transfers, provided by the higher budget to the lower budget, with the relevant local executive body for targeted transfers for the development aimed at the implementation of particularly important and demanding the operational implementation tasks, specified in subparagraph 2.1) of the second part of paragraph 2 of Article 79 of this Code, prior to presentation of the documents to the central authorized body for budget planning in accordance with Articles 154 and 156 of this Code, within six months from the date of the positive proposals of the Republican Budget Commission.

13. In case of further distribution of targeted transfers provided by the republican budget to the regional budgets, the regional local executive body shall make the appropriate agreements on the results of the targeted transfers with the local executive bodies of the areas (the cities of regional importance) between the budgets of districts (the cities of regional importance).

14. In case of change of the amount of the targeted transfers, allocated from the higher budget, the appropriate changes to the agreement on the results for the targeted transfers are made within one month from the date of change in the amounts of the targeted transfers.

If in the case of the refinement of the budget, the additional targeted transfers are allocated, the agreements on the results according to the targeted transfers shall be concluded within a month after the signing by the President of the Republic of Kazakhstan of the Law on amendments and supplements to the Law on the republican budget and the approval of the decision of maslikhat on amendments and supplements to the decision of maslikhat on the local budget.

15. Local executive body of the area (the city of regional importance) on the results for up to six months and one year shall present the report on the direct and final results, achieved by the use of the allocated target transfers, in accordance with the agreements on the results to the relevant local executive body.

Local executive bodies of the region, the city of republican significanceand the capital according to the results for up to six months and one year shall present the report on the direct and final results, achieved by the use of the allocated target transfers, in accordance with the agreements on the results to the relevant administrator of the budget programs.

16. The order for development of the agreement on the results for targeted transfers, transferring of the targeted transfers, preparation and presentation of a report on the achieved direct and final results is determined by the Government of the Republic of Kazakhstan .

Footnote. Article 46 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 23.11.2012 No. 55-V (shall be enforced from the date of first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 47. Budget loans to lower budgets

1. Budget credits from the republican budget and regional budgets may be allocated to the regional budgets, to the budgets of the city of republican significance and the budget of the capital, to the budgets of the areas (the cities of regional importance) for the implementation of budget investment projects to meet the challenges of social policy and in the case of the predicted cash deficit within the financial year.

2. Budget credits to the lower budgets are allocated in accordance with this Code.

Footnote. Article 47, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication.)

Article 48. Responsibility for failure to achieve the results when using the transfers

1. When allocating the targeted transfers from the higher budget to the lower budgets the following persons shall be responsible in accordance with the Laws of the Republic of Kazakhstan:

1) akim of the region, the city of republican importance, capital and the first head of the relevant administrators of the budget programs of the higher budget for late conclusion of an agreement on the results for targeted transfers;

2) the first head of the administrators of the budget programs of the higher budget for non-transfer of the targeted transfers to the lower budgets in accordance with an individual plan of financing for payments on the basis of the concluded agreements on the results;

3) akim of the region, the city of republican importance, capital, district, city of regional significance and the first head of the relevant administrators of the local budget programs for the use of the targeted transfers not in accordance with the signed agreement on the results for the targeted transfers, failure to achieve the results, failure to submit a report on the results, achieved through the use of the obtained targeted transfers;

4) akim of the region, the city of republican importance, capital, district, the city of regional importance, and the first head of the administrators of the budget programs of the lower budget for non-application of the targeted transfers, received from the higher budget that resulted in failure to achieve the results.

2. In case of delay in tender procedures by the administrators of the budget programs of the higher budget, who are a single organizer of the competition for public procurement through the targeted transfers, the first head of the administrator of the budget programs of the higher budget shall bear the responsibility established by the Laws of the Republic of Kazakhstan.

Footnote. Article 48 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication).

SECTION 2. DISTRIBUTION OF REVENUE AND EXPENSES BETWEEN THE BUDGET LEVELS

Chapter 8. DISTRIBUTION OF THE BUDGET REVENUE BETWEEN THE REPUBLICAN, REGIONAL BUDGETS, THE BUDGETS OF THE CITY OF REPUBLICAN IMPORTANCE, THE CAPITAL, THE DISTRICT (THE CITY OF REGIONAL IMPORTANCE)

Article 49. Revenues to the republican budget

1. Tax revenues to the republican budget are:

1) the corporate income tax, excluding revenues from the oil sector organizations;

2) the value added tax, including manufactured goods, works performed and services, rendered in the territory of the Republic of Kazakhstan, and on the goods imported into the territory of the Republic of Kazakhstan;

3) the excise taxes on the goods, imported into the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan;

4) the excise taxes on the crude oil and gas condensate;

5) the tax on gambling;

6) the tax on excess profits, excluding revenues from the oil sector organizations;

7) the payment for reimbursement of historical costs;

8) the bonuses, excluding revenues from the oil sector organizations;

9) the tax on extraction of mineral resources, excluding revenues from the oil sector organizations;

10) the rent tax on exports, excluding revenues from the oil sector organizations;

11) the share of the Republic of Kazakhstan on production sharing based on the contracts concluded, excluding revenues from the oil sector organizations;

12) the additional payment of subsoil user, who carrying out activities in a production sharing contract, excluding revenues from the oil sector organizations;

13) the fee for passing the vehicles in the territory of the Republic of Kazakhstan;

14) fee for the issuance of permits for the use of radio spectrum by television and radio broadcasters;

15) the fee for the state registration (recording) of the media;

16) the fee for the state registration of medicinal products, as well as their re-registration;

17) the fee for the state registration of the rights to works and objects of related rights, license agreements for the use of works and objects of related rights, as well as their re-registration;

18) the fee for the state registration of radio-electronic equipment and high frequency devices;

19) the charges for the provision of long-distance and (or) international telephony, and mobile communications;

20) the charges for the use of the radio spectrum;

21) the charges for the use of the specially protected natural areas of republican importance;

22) the charges for the use of wildlife;

23) the charges for the use of navigable waterways;

24) the fee for placing outdoor (visual) advertising on the right of way of public roads of republican importance;

25) the customs duties on the imported and exported goods;

26) the revenues from the implementation of customs control and customs operations;

27) the duties, collected as safeguard measures of domestic producers;

28) the consular fee;

29) the state fee for affixing the apostille on the official documents, executed in the Republic of Kazakhstan, by the state bodies authorized by the Government of the Republic of Kazakhstan, in accordance with an international treaty ratified by the Republic of Kazakhstan;

30) the state fee for the issuance of identity documents;

31) the state fee charged for the issuance of driver's licenses;

32) the state fee charged for the issuance of certificates on the state registration of motor vehicles;

33) the state fee, charged for the issuance of state registration plates;

34) the state fee charged for the notarial acts;

35) the state fee, charged for committing legal actions by an authorized state body in the sphere of intellectual property;

36) the state fee from the claims to the state bodies, submitted to the court;

37) the state fee for the issuance of certificates on the technical inspection of motor vehicles and trailers;

38) the fee for the state registration of space objects and the rights to them.

39) the fee for the certification in the field of civil aviation.

Note of the RCLI!

Paragraph 1 shall be provided to supplement by subparagraph 39) in accordance with the Law of the Republic of Kazakhstan dated 04.07.2013 No. 132-V (shall be enforced from 01.01.2014).

2. Non-tax revenues to the republican budget shall be:

1) the income of the republican property:

revenues, the part of the net income of the republican state enterprises;

revenues, the part of the net income of the National Bank of the Republic of Kazakhstan;

dividends on the state-owned shares, owned by the Republic;

income on the ownership interests in legal entities, owned by the Republic;
income from lease of property owned by the Republic;
remuneration for the placement of funds of state external borrowings in the accounts of the second-tier banks and by the deposits of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan;
interest on loans, granted from the state budget;
income from the sale of arms and military equipment;
other income from the Republican property;
2) the revenues from the sale of goods (works, services) by the state institutions, financed from the state budget;
3) receipts of money from the public procurement, organized by the state institutions, financed from the state budget;
4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the state budget, as well as maintained and financed from the budget (cost estimates) of the National Bank of the Republic of Kazakhstan, with the exception of revenues from the oil sector organizations;
5) other non-tax revenues to the republican budget, with the exception of revenues from the oil sector organizations.
3. Revenues to the republican budget from the sale of fixed capital are the money:
1) from the sale of the state property, assigned to the state institutions financed from the republican budget;
2) from the sale of goods from the state material reserve;
3) from the sale of intangible assets, owned by the state.
4. Revenues of the transfers to the republican budget are:
1) transfers from regional budgets, the budgets of the city of republican significance and the capital;
2) a guaranteed transfer to the republican budget from the National Fund of the Republic of Kazakhstan.
5. The income from repayment of the loans issued from the republican budget, the sale of financial assets of the state owned by the Republic, the government loans are included to the republican budget.
Footnote. Article 49, as amended by the Laws of the Republic of Kazakhstan dated 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010), dated 24.01.2011 No. 399-IV (the order of enforcement see Art. 2), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 06.01.2012 No. 529-IV (shall be enforced upon the expiry of twenty-one calendar days after its first official publication), dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.132-V (shall be enforced from 01.01.2014).

Article 50. Revenues to the regional budget

1. Tax revenues to the regional budget are:
1) the individual income tax on the normative standards of income distribution, established by regional maslikhat;
2) the social security tax on the normative standards of income distribution, established by regional maslikhat;
3) the fee for the emissions into the environment;
4) excluded by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013);
5) the fee for the placement of outdoor (visual) advertising on the right of way of public roads of regional importance;
6) the fee for the use of surface water resources;

7) the fee for the forest use;

8) the fee for the use of specially protected natural territories of local importance.

2. Non-tax revenue to the regional budget are:

1) income from municipal property:

Revenues from the part of the net income of municipal public enterprises, established by the decision of regional akimats;

dividends on the state-owned shares, which are the regional municipal property;

income for ownership interest in the legal entities that are in the regional municipal property;

revenues from lease of the property of regional municipal property;

interest on loans, granted from the regional budget;

remuneration, received from the placement of the temporarily free budget funds in the deposits;

other income from the regional municipal property;

2) the revenues from the sale of goods (works, services) by the state institutions, financed from the regional budget;

3) receipts of money from the public procurement, organized by the state institutions financed from the regional budget;

4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the regional budget;

5) other non-tax revenues to the regional budget.

3. The regional budget revenues from the sale of fixed capital are the money from the sale of the state property assigned to the state institutions, financed from the regional budget.

4. Revenues of the transfers to the regional budget are:

1) transfers from the budgets of districts (the cities of regional importance);

2) transfers from the republican budget.

5. The income from repayment of loans, issued from the regional budget, from the sale of financial assets of the state that are in regional municipal property, the loans of the local executive bodies of regions are included to the regional budget.

Footnote. Article 50, as amended by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 51. Revenues to the budgets of the city of republican significance and the capital

1. Tax revenues to the budgets of the city of republican significance and the capital are :

1) the individual income tax;

2) the social security tax;

3) the property tax of the individuals and legal entities, individual entrepreneurs;

4) the land tax;

5) the single tax on land;

6) the tax on vehicles;

7) the flat-sum tax;

8) the excise duties on:

all types of alcohol, produced on the territory of the Republic of Kazakhstan;

the alcohol products, produced on the territory of the Republic of Kazakhstan;

beer with the volume content of ethanol more than 0.5 percent, produced on the territory of the Republic of Kazakhstan;

tobacco, produced on the territory of the Republic of Kazakhstan;

cars (except vehicles with manual control or manual control adapter, specifically

designed for the disabled), produced on the territory of the Republic of Kazakhstan;
petrol (excluding aviation petrol) and diesel;
9) the fee for the use of surface water resources;
10) the fee for forest use;
11) the fee for emissions into the environment;
12) the fee for the use of specially protected natural territories of local importance;
13) the fee for the use of land;
14) the fee for the state registration of individual entrepreneurs;
15) the license fee for the right to engage in certain activities;
16) the fee for the state registration of legal entities and the record registration of branches and representative offices, as well as their re-registration;
17) collection from auctions;
18) is excluded by the Law of the Republic of Kazakhstan dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013);
19) the state fee, except consular fee and state fees payable to the state budget;
20) the fee for the state registration of the rights to immovable property;
21) the fee for the state registration of chattel mortgage and ship mortgage or ship under construction;
22) the fee for the state registration of vehicles, as well as their re-registration;
23) the fee for the placement of outdoor (visual) advertising on the right of way of public roads of urban importance and in the settlements.
2.Non-tax revenues to the budgets of the city of republican significance and the capital are:
1) the income from community property:
Revenues from the part of the net income of municipal public enterprises, established by the decision of akimats of the city of republican significance and the capital;
dividends on the state-owned shares in the community property of the city of republican significance and the capital;
income on interests in the legal entities that are in the community property of the city of republican significance and the capital;
revenues from the state lotteries, held by the decisions of the representative bodies of the city of republican significance and the capital;
income from the rental property of the community property of the city of republican significance and the capital;
interest on loans, granted from the budgets of the city of republican significance and the capital;
interest, received from the placement of temporarily free budget funds on the deposits;
other income from community property of the city of republican significance and the capital;
2) the revenues from the sale of goods (works, services) by the state institutions, financed from the budgets of the city of republican significance and the capital;
3) the revenues of money from the public procurement, organized by the state institutions , financed from the budgets of the city of republican significance and the capital;
4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the budgets of the city of republican significance and the capital;
5) other non-tax revenues to the budgets of the city of republican significance and the capital.
3. Revenues to the budget of the city of republican significance and capital from the sale of fixed assets are:
1) the money from the sale of state property, assigned to the state institutions, financed from the budgets of the city of republican significance
2) and capital;
2) the revenues from the sale of land, with the exception of agricultural land;
3) the fee for the sale of land lease rights.

4. Revenues of the transfers to the budgets of the city of republican significance and the capital are the transfers from the republican budget.

5. The revenues from the repayment of loans, granted from the budgets of the city of republican significance and the capital, from the sale of financial assets of the state that are in communal property of the city of republican significance and the capital, and from the loans of the local executive bodies of the city of republican significance and the capital are credited to the budgets of the city of republican significance and the capital.

Footnote. Article 51, as amended by the Laws of the Republic of Kazakhstan dated 25.03.2011 No. 421-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 26.12.2012 No. 61-V (shall be enforced from 01.01.2013), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 52. Revenues to the budget of the region (the city of regional significance)

1. Tax revenues to the budget of the region (the city of regional importance) are:

1) the individual income tax on the standards of the income distribution, established by regional maslikhat;

2) the social security tax on the standards of the income distribution, established by regional maslikhat;

3) the property tax of the individuals and legal entities, individual entrepreneurs;

4) the land tax;

5) the single tax on land;

6) the tax on vehicles;

7) flat-sum tax;

8) the excise duties on:

all types of alcohol, produced on the territory of the Republic of Kazakhstan;

the alcohol products, produced on the territory of the Republic of Kazakhstan;

beer with the volume content of ethanol more than 0.5 percent, produced on the territory of the Republic of Kazakhstan;

tobacco, produced on the territory of the Republic of Kazakhstan;

cars (except vehicles with manual control or manual control adapter, specifically designed for the disabled), produced on the territory of the Republic of Kazakhstan;

petrol (excluding aviation petrol) and diesel;

9) the fee for the use of land;

10) the fee for the state registration of individual entrepreneurs;

11) the license fee for the right to engage in certain activities;

12) the fee for the state registration of legal entities and the record registration of branches and representative offices, as well as their re-registration;

13) collection from auctions;

14) the fee for the state registration of vehicles, as well as their re-registration;

15) the fee for the state registration of rights to immovable property;

16) the fee for the state registration of chattel mortgage and ship mortgage or ship under construction;

17) the fee for the placement of outdoor (visual) advertising on the right of way of public roads of regional significance and in the settlements;

18) the state fee, except consular fee and state fees payable to the state budget;

2. Non-tax revenues to the budget of the region (the city of regional importance) are:

1) the income from community property:

Revenues from the part of the net income of municipal public enterprises, established by the decision of akimats of the region (the city of regional importance);

dividends on the state-owned shares in the community property of the region (the city of regional importance);

income on interests in the legal entities that are in the community property of the region (the city of regional importance);

income from the rental property of the community property of the region (the city of regional importance);

interest on loans, granted from the budget of the region (the city of regional importance);

other income from community property of the region (the city of regional importance);

2) the revenues from the sale of goods (works, services) by the state institutions, financed from the budget of the region (the city of regional importance);

3) the revenues of money from the public procurement, organized by the state institutions , financed from the budget of the region (the city of regional importance);

4) penalties, fines, sanctions, recovering payments imposed by the state institutions, financed from the budget of the region (the city of regional importance);

5) other non-tax revenues to the budget of the region (the city of regional importance).

3. Revenues to the budget of the region (the city of regional importance) from the sale of fixed assets are:

1) the money from the sale of state property, assigned to the state institutions, financed from the budget of the region (the city of regional importance);

2) the revenues from the sale of land, with the exception of agricultural land;

3) the fee for the sale of land lease rights.

4. Revenues of the transfers to the budget of the region (the city of regional importance) are the transfers from the regional budget.

5. The revenues from the repayment of loans, granted from the budgets of the region (the city of regional importance), from the sale of financial assets of the state that are in communal property of the region (the city of regional importance), and from the loans of the local executive bodies of the region (the city of regional importance) are credited to the budget of the region (the city of regional importance).

Footnote. Article 52, as amended by the Law of the Republic of Kazakhstan dated 25.03.2011 No. 421-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 9. INCOME DISTRIBUTION BETWEEN THE LEVELS OF THE BUDGET

Article 53. Expenditures of the republican budget

1. Expenditures of the republican budget are made in the following areas:

1) The state functions of a general nature:

support, maintenance and protection of the President of the Republic of Kazakhstan and his family;

the functioning of the Parliament of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan and the Constitutional Council of the Republic of Kazakhstan;

conducting of elections and referendum;

state planning at the republican level;

activities of the tax authorities;

organization of the execution of the republican budget and cash services to local budgets , budget accounting and reporting on the budget execution;

administration of the republican property;

organization of the procedure of external supervision, rehabilitation procedure, bankruptcy proceedings and the procedure of liquidation of the debtor without instituting bankruptcy proceedings, as well as carrying out the procedures of liquidation by a court decision on the grounds provided by the civil legislation of the Republic of Kazakhstan;

organization of a uniform system of public procurement;
state financial control and financial monitoring;
customs activity;
foreign-policy activities of the state;
carrying out basic scientific research;
statistical activities of the state statistical bodies;
organization of a uniform system of public service;
state certification of scientific personnel;
awarding of the state prizes and awarding by the state decorations in a variety of industries and areas of activity in accordance with the legislation of the Republic of Kazakhstan;
financing of political parties;
2) defense, public order and safety:
organization and provision of national defense;
mobilization training and mobilization, conducted by the central executive bodies;
formation and storage of the state material reserves;
national security;
countering terrorism and extremism and separatism;
protection of the state secrets;
organization of activities related to the implementation of universal conscription, with the exception of activities financed from the regional budget, the budgets of the city of republican importance, the capital and region (the city of regional importance);
protection of the public order and public safety in the territory of the Republic of Kazakhstan, with the exception of areas financed from the regional budget, the budgets of the city of republican significance and the capital;
organization of activities in the field of natural and man-made emergency situations;
prevention and elimination of emergency situations of global and regional scale;
organization and provision of activities of professional emergency services;
provision of activities of the state fire service;
organization of civil defense;
maintenance of the state cadastre of civilian and service weapons and their ammunition;
Law enforcement activities in the economic and financial fields;
migration activities;
production of identity documents;
implementation of the operation of the equipment and information systems of the registration offices of documentation and registration of the population;
3) the legal, judicial, penal activity:
activities in the field of justice;
legal protection of the interests of citizens and the state;
securing the Law and order;
State Legal Statistics and Special Accounts;
activity of the forensic examination;
functioning of the judicial system;
organization and provision of activity of the correctional system;
4) education:
general education of gifted children in the republican education organizations;
carrying out extra-curricular activities of republican importance;
training of specialists with postgraduate, technical and vocational, post-secondary and higher education in educational institutions, funded from the state budget;
advanced training and re-training of personnel at the republican level;
providing the textbooks and teaching materials to the republican organizations of secondary education, as well as compatriots, studying in foreign schools, in accordance with international treaties;
5) health care service:

providing the tertiary care;
providing by the health care organizations of the specialized medical care by types, defined by the Government of the Republic of Kazakhstan;
organization of emergency medical services upon liquidation of natural and man-made emergency situations at the republican level;
medical rehabilitation in the public health institutions of republican importance;
provision of health care to the persons, who are suffering from psychiatric disorders (diseases) and require strict supervision;
forensic, forensic psychiatry and forensic drug testing;
organization of treatment of ill persons abroad;
opposition to especially dangerous infections;
production of blood, its components and medical products for public health organizations of republican importance;
provision of the sanitary and epidemiological welfare of the population by sanitary-epidemiological service;
medical care service of military personnel, Law enforcement officers, their families, and retirees from the military personnel, Law enforcement officers and other categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;
activities in the field of public health protection, except for the expenditures, financed from the local budgets;
6) social assistance and social security:
the pension payments to citizens, who are entitled to pension benefits in accordance with the legislation of the Republic of Kazakhstan on pension provision at the expense of budget funds;
the state social benefits;
the state special allowance;
the special state benefits;
the funeral benefit to the pensioners, veterans and invalids of the Great Patriotic War, the recipients of the state benefits, established by the legislative acts of the Republic of Kazakhstan;
the one-off state benefit payment that is granted and paid in the birth of the child;
the monthly state benefit, which is granted and paid to care for a child up to the age of one year;
the social assistance to the persons residing in the areas of environmental disasters, provided by legislative acts of the Republic of Kazakhstan;
welfare payments to the families of military personnel, employees of special state bodies , officers of Law enforcement agencies and the state fire service, provided by the legislative acts of the Republic of Kazakhstan;
social benefits to victims and injured from political repressions, provided by the legislative acts of the Republic of Kazakhstan;
social benefits, which are obligations of the Government of the Republic of Kazakhstan;
social assistance to repatriated Kazakhs;
implementation of migration policy;
7) culture, sports, tourism and information space:
revival, preservation, development and distribution of the Kazakh national culture and other national cultures;
support of theater and music, production of domestic films and museology of republican importance;
carrying out socially relevant activities in the field of culture and the state youth policy;
preservation of historical and cultural heritage of international and republican importance;
support of the development of national and mass sports at the republican level;
development of high performance sport;

preparation and participation of the members of the national teams of the Republic of Kazakhstan in the international sports competitions;
preparation and dissemination of information about Kazakhstan and its tourism opportunities in the international tourist market and within the state;
preservation of archival collection of republican importance;
functioning of republican libraries;
conducting of public information policy at the republican level through the media;
development of the state language and other languages of Kazakhstan;
distribution of television and radio broadcasting organizations by means of satellite broadcasting systems;
advanced training and retraining of employees of cultural institutions at the republican level;
8) agro-industrial complex, water, forestry, fisheries, specially protected natural areas and environmental protection, land relations:
ensuring the protection and rational use of water resources, development of water balances, schemes of complex use and protection of water resources, using forecast and protection of water resources, providing information and analytical system of using of water resources;
conducting of public accounting of water of the state water cadaster;
operation of cross-border water facilities and water facilities of republican importance, not related to the supply of water;
restoration of especially emergency water facilities and drainage systems of republican importance;
monitoring and evaluation of ameliorative condition of irrigated land;
conducting of public accounting of forest resources, wildlife, specially protected natural areas of republican importance, state natural resources inventories, state monitoring of forests and wildlife;
forestry management;
forest seedage and breeding;
maintenance of the state forestry cadastre, state cadastres of wildlife, specially protected natural areas;
aerial work for the forests fire protection and the protection from pests and diseases;
protection and reproduction of fish stocks and other aquatic animals;
state regulation of fisheries and protection of fish stocks;
maintenance of specially protected natural areas of republican importance, restoration of the state nature reserve fund;
compensation for damages, caused to the land owners or land users in the cases, established by the land legislation of the Republic of Kazakhstan;
state monitoring of the environment;
implementation of measures for the protection of environment at the republican level;
the state ecological examination of the objects of category I;
issuance of permits for emissions into the environment for the objects of category I;
hydro meteorological monitoring;
regulation of land relations at the republican level;
maintenance of the state land cadaster, land monitoring;
topographic-geodesic and cartographic work;
diagnosis of animal diseases, anti-epizootic, including the purchase, delivery, storage and use of veterinary drugs, including the reserve, as well as the elimination of the focus of acute infectious diseases of animals, birds and disinfection;
registration trials, testing of veterinary drugs, feed additives, as well as control of the series (parties) of veterinary drugs in their complaint;
phytosanitary monitoring;
laboratory examination of products under quarantine and the identification of latent infestation in seeding and planting materials;

detection, localization, elimination of locuses of extension of quarantine facilities;
purchase of pesticides (chemicals), including the supply, services related to their delivery, storage and use;
purchase of grain to the state grain resources, storage and transportation of the state reserve of food grains;
holding of purchasing and commodity interventions in the agro-food market;
variety testing, the definition of varietal and sowing qualities of seeds and planting material;
formation and management of public resources of seed crops;
agrochemical and agro climatic provision of agricultural production;
state regulation of technical support of agro industrial complex;
sustainable development of agro industrial complex, the provision of certain services, missing or under-represented in a competitive market to its subjects;
organization of information and marketing system of agro industrial complex;
subsidizing the interest rates on loans, granted by the banks of the second level to the enterprises for processing of agricultural products;
development of the management systems of production and the market of agricultural products;
maintenance of the mandatory crop insurance;
preservation and development of genofond of high-priced plant varieties, breeds and species of farm animals, birds and fish;
carrying out activities on amelioration of irrigated lands;
9) industry, subsurface use, architectural, town-planning and construction activity:
implementation of the state's industrial policy;
development of fuel and energy complex;
monitoring of subsoil and subsoil use, seismological information;
state geological studies;
formation of geological information;
closure and liquidation of mines and quarries, industrial waste disposal;
maintenance of the state town planning cadaster of republican importance;
acquisition and development of building codes and standards;
control in the field of architecture, town-planning and construction activity;
9-1) energy conservation and energy efficiency:
implementation of measures for energy conservation and energy efficiency at the republican level;
10) transport and communications:
Note of the RCLI!
This paragraph shall be provided in the wording of the Law of the Republic of Kazakhstan dated 02.07.2013 No. 112-V (shall be enforced from 01.07.2014).
construction, reconstruction, repair and maintenance of roads of international and national importance, as well as traffic engineering on them;
organization and regulation of activity of water transport;
maintenance of navigable waterways, locks and provision of safety of navigation;
navigational and hydrographic support of shipping lanes;
state regulation of air and water transport;
passenger transportation on socially important interregional communications;
development of main railway lines;
aerospace activities;
monitoring of the radio frequency spectrum and radio-electronic equipment;
11) regulation of economic activity:
standardization, metrology and certification;
registration and protection of patents, trademarks;
state innovation policy;
governmental export and import controls;

trade and anti-dumping regulation;
development and protection of competition;
state regulation of prices and natural monopolies;
state support for private enterprise;
11-1) housing and utilities infrastructure:
acquisition, development and improvement of standard technical documents;
modernization and development of heat supply facilities, electricity, gas, water and sanitation, within the limits of settlements, as well as community redevelopment;
regulation of the distribution of municipal waste;
conducting the applied research and development work;
personnel and information and analytical support;
centralized development of feasibility studies, pre-investment feasibility study of modernization and development of engineering infrastructure of settlements by the authorized body in the field of public utilities;
survey and evaluation of the technical condition of the objects of housing and utilities infrastructure;
forming an information system for monitoring and control of housing and utilities infrastructure;
implementation of measures on energy and resource conservation;
12) other areas:
transfers to the regional budgets, the budgets of the city of republican significance and the capital;
servicing and repayment of government debt;
fulfillment of the obligations on state guarantees;
transaction costs of hedging of the government loans;
performance of the obligations under the guarantees of the state;
execution of the concession obligations of the Government of the Republic of Kazakhstan.
2. The costs of:
1) the capital expenditure of the central state bodies and state institutions, providing public services or carrying out the activities, specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;
2) budget investment projects, concession projects for co-financing from the budget and the implementation of concession obligations, international collaboration, applied research and regulatory and methodological support in the areas specified in paragraph 1 of this Article;
3) other public services and activities of the central state bodies, stipulated by legislative acts of the Republic of Kazakhstan, - are also financed from the republican budget.
3. Financing the costs in the areas, specified in this Article from the budgets of other levels are not permitted.
4. The costs of the central state bodies and their local units, financed from the republican budget, are planned on the basis of the limits of staff numbers, approved by the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, taking into accounts the natural norms and standards of public services.
Footnote. Article 53, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 19.03.2010 No. 258-IV; dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 08.04.2010 No. 266-IV (the order of enforcement see Art. 2), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 29.12. 2010 No. 373-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 22.07.2011 No. 479-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 12.01.2012 No. 540-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542 - IV (shall be enforced upon expiry of six months after its first official publication), dated 13.02.2012 No. 553-IV (shall be enforced upon expiry of ten calendar days

after its first official publication), dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 10.07.2012 No. 33-V (shall be enforced from 01.01.2012), dated 29.01.2013 No. 74-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 29.01.2013 No. 74 -V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days after its first official publication), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), by the Constitutional Law of the Republic of Kazakhstan dated 03.07.2013 No. 121-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.131 -V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 17.01.2014 No. 165-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 21.01.2014 No. 167-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 54. Expenditures of the regional budget

1. Expenditures of the regional budget are made in the following areas:

1) the state functions of a general nature:

the functioning of the local representative and executive bodies of the regional level;

the promotion and conduct of elections of akims of the cities of regional significance, villages, townships, rural districts;

state planning at the regional level;

supporting the execution of the regional budget;

management of the regional community property;

2) defense, public order and safety:

mobilization training and mobilization, preparation of territorial defense and territorial defense on the regional scale;

protection of public order and provision of public security in the territory of the region;

the civil defense in the regional scale;

activities in the performance of military duties to ensure and maintain the regional military authorities by appointed recruiting (teams) items, medicines, tools, health and economic assets, road transport, communications, medical, and technical workers, and by service personnel and the establishment of health commissions;

prevention and elimination of emergency situations of the local scale;

escorting by the bodies of internal affairs;

activities for citizenship, emigration and immigration, working with foreigners and fight against illegal migration;

operation of detention centers, special reception centers for persons, who are subject to administrative detention, reception centers for persons with no fixed abode and documents, nurseries for service animals;

maintenance of the traffic police, with the exception of financial payment for making state license plates, blank forms of driver’s licenses and blank forms of certificates of the state registration of vehicles;

maintenance, service and repair of premises and vehicles, including the purchase of fuel and lubricants, as well as payment for utility services, electricity, heating and telecommunications services of the territorial bodies of internal affairs, with the exception of the costs of e-mail services, video conferencing communications and surveillance of the situation center devices of the territorial bodies, financed from the republican budget;

3) education:

acquisition and delivery of textbooks and teaching materials for educational institutions that implement professional training programs of technical and vocational education, post-secondary education, as well as special and specialized secondary educational programs;
additional education for children, carried out at the regional level;
training of specialists with technical and professional, post-secondary education, except financed from the republican budget;
teaching the children by special general education curriculum;
teaching the gifted children in special education organizations;
technical and vocational, post-secondary education;
carrying out school competitions at the regional scale;
advanced training and retraining of employees of public organizations, financed from the budget funds at the local level;
examination of mental health of children and adolescents, and the provision of psychological, medical and educational counseling to the public;
rehabilitation and social adaptation of children and adolescents with special needs;
logistical support of the state education organizations, implementing professional training programs of technical and vocational education, post-secondary education, as well as special and specialized secondary educational programs (with the exception of educational institutions in correctional institutions of the penal system);
state support for orphans and children left without parental care, their mandatory employment and housing;
free and reduced price meals for certain categories of students in accordance with the legislation of the Republic of Kazakhstan;
methodical work;
operation of centers for adaptation of minors;
4) health care service:
providing a guaranteed volume of free medical care, including medical services for temporary adaptation and detoxification, with the exception of areas financed from the republican budget;
purchase of vaccines, immunological and other drugs in accordance with the legislation of the Republic of Kazakhstan;
production of blood, its components and preparations for local health organizations;
other health-related activities, with the exception of areas financed from the republican budget;
5) social assistance and social security:
social security of orphans and children left without parental care;
social security of elderly and disabled persons, including children with disabilities, with the exception of the social assistance financed from the budget of the region (the city of regional importance);
implementation of migration activities at the local level;
6) housing and utilities infrastructure:
gasification of settlements;
measures to protect the regional community property;
7) culture, sports, tourism and information space:
support theater and music of local importance;
support for cultural and leisure work;
holding of socially significant events of local importance in the field of culture;
preservation of historical and cultural heritage of local importance, and access to them;
preparation and participation of the members of the regional teams in various sports at the republican and international sporting events;
sports competitions at the regional level;
regulation of tourist activities at the local level;
ensuring the conservation of the archival collection of local importance;
operation of the regional libraries;

conducting the public information policy at the local level through the media;
development of the state language and other languages of Kazakhstan at the local level;
conducting the activities within the implementation of the state youth policy at the regional level;
8) agro industrial complex, water, forestry, specially protected natural areas, protection of the environment and wildlife, land relations:
regulation of relations in the field of agriculture at the regional level, in accordance with the Laws of the Republic of Kazakhstan;
regulation of the development of plant breeding, seed production, animal breeding, veterinary medicine, processing and marketing of agricultural products at the regional level, in accordance with the Laws of the Republic of Kazakhstan;
maintenance, construction and repair of special storage facilities (burial);
disposal of pesticides (insecticides), purchased by the budget funds;
maintenance of the water facilities that are in communal property;
establishment of the protection zones, strips of water bodies;
restoration of especially emergency water facilities and hydro-reclamation systems of regional importance;
construction and reconstruction of water supply systems of regional importance;
security, protection, reforestation and afforestation;
maintenance and protection of the specially protected natural areas of local importance;
implementation of measures for the protection of the environment;
conducting the state ecological examination of objects of II, III, IV categories;
issuance of permits for emissions into the environment for II, III, IV categories;
protection of wildlife;
regulation of land relations at the regional level;
compensation for damages, caused to the land owners or land users in the cases established by the land legislation of the Republic of Kazakhstan;
implementation of measures for the dissemination and implementation of innovative practices;
9) architectural, town-planning and construction activity:
organization of architectural, town planning and construction activity, with the exception of costs, financed from the republican budget;
9-1) energy conservation and energy efficiency:
implementation of measures for energy conservation and energy efficiency at the regional level;
10) transport and communications:
passenger transportation on socially important inter-district (intercity, interregional), and rail commuter services;
construction, reconstruction, repair and maintenance of motor roads of regional importance, as well as traffic engineering on them;
11) regulation of economic activity:
state support for private enterprise;
state support of industrial innovation;
12) other areas:
transfers to the budgets of the regions (the cities of regional importance);
transfers to the republican budget;
debt service of the local executive bodies;
execution of the concession obligations of the local executive bodies.
2. The costs of:
1) the capital expenditure of the state institutions, providing public services or carrying out the activities, specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;
2) budget investment projects, concession projects for co-financing from the budget and the implementation of concession obligations in the areas specified in paragraph 1 of this

Article;

3) other public services and activities of the local state administration of the region, stipulated by Laws of the Republic of Kazakhstan, - are also financed from the regional budgets .

3. Financing the costs in the areas specified in this Article from the budgets of other levels are not permitted.

4. The costs of the local executive bodies financed from the regional budget, are planned on the basis of the limits of staffing numbers approved by the Government of the Republic of Kazakhstan, taking into account the natural norms and standards of public services.

Footnote. Article 54, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 28.12.2010 No. 369 -IV (shall be enforced from 01.01.2011), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542-IV (shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days from the date of first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days from the date of first official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days from the date of first official publication).

Article 55. Expenditures of the budgets of the city of republican significance and the capital

1. Expenditures of the budgets of the city of republican significance and the capital, are carried out in the following areas:

1) state the functions of a general nature:

functioning of the local representative and executive bodies of the city of republican significance and the capital;

state planning at the level of the city of republican significance and the capital;

execution of the budget of the city of republican significance and the capital;

management of community property of the city of republican importance, capital;

assessment of property for tax purposes;

2) defense, public order and safety:

mobilization training and mobilization, preparation of territorial defense and territorial defense of republican significance and the capital;

activities in the performance of military duties to ensure and maintain the military authorities of the city of republican significance and the capital, equipped by recruiting (teams) items, medicines, tools, health and economic assets, road transport, communications, medical, and technical workers, by service personnel and the establishment of medical commissions;

prevention and elimination of emergency situations at the local scale;

protection of public order and provision of public safety in the territory of the city of republican importance, capital;

providing interventions for the prevention and suppression of wildfires of urban scale, as well as fires in settlements, where the bodies of the state fire service are not formed;

civil defense of the city of republican importance, capital;

operation of detention centers, special recipient centers for persons, who are subject to administrative detention, reception centers for persons with no fixed abode and documents, nurseries for service animals;

provision of the road safety in settlements;
escorting the bodies of internal affairs;
activities for citizenship, emigration and immigration, working with foreigners and fight against illegal migration;
maintenance of the traffic police, with the exception of financing the making of state license plates, blank forms of the driver's licenses and blank forms of certificates of the state registration of vehicles;
maintenance, service and repair of premises and vehicles, including the purchase of fuel and lubricants, as well as the payment for utility services, electricity, heating and telecommunications services of territorial bodies of internal affairs, with the exception of the costs of e-mail services, video conferencing communications and surveillance of the situation center of the devices of territorial bodies, financed from the republican budget;
3) education:
early childhood care and education;
organization and provision of compulsory secondary education, including the evening (shift) form of training, including that provided through the boarding organizations;
technical and vocational, post-secondary education;
training within the general curriculum;
education of gifted children in special education organizations;
carrying out school competitions at the level of the city of republican significance and the capital;
training of specialists with technical and vocational, post-secondary education, except financed from the republican budget;
advanced training and retraining of employees of public organizations, financed from the budget funds at the local level;
examination of mental health of children and adolescents, and provision of psychological, medical and educational counseling to the public;
rehabilitation and social adaptation of children and adolescents with special needs;
additional education for children;
acquisition and delivery of textbooks and teaching materials for public education organizations that implement general educational programs for primary, basic secondary and general secondary education, professional training programs of technical and vocational education, post-secondary education, as well as special and specialized secondary educational program;
logistical support of public education organizations (except for educational institutions in correctional institutions of the penal system) and organization of pre-school education and training;
state support for orphans and children left without parental care, their mandatory employment and housing;
medical care of students and pupils of educational institutions, except for the pre-school;
free and reduced price meals for certain categories of students and pupils;
the operation of adaptation centers for minors;
4) health care service:
providing a guaranteed volume of free medical care, including medical services for temporary adaptation and detoxification, with the exception of areas, financed from the republican budget;
purchase of vaccines, immunological and other drugs in accordance with the legislation of the Republic of Kazakhstan;
production of blood, its components and preparations for local health organizations;
other health-related activities, with the exception of areas, financed from the republican budget;
5) social assistance and social security:
housing assistance;

social assistance to the needy citizens at home;
social adaptation of persons, who do not have a specific place of residence;
social security of orphans and children left without parental care;
social security of elderly and disabled persons, including the children with disabilities ;
providing the employment of population;
state targeted social assistance;
social assistance to certain categories of needy citizens under the decisions of local representative bodies;
monthly state allowance, allocated and paid to children under the age of eighteen;
implementation of migration activities at the local level;
6) housing and utilities infrastructure:
organization the maintenance of the public housing stock in the city of republican significance and the capital;
inventory of housing stock;
provision of housing for certain categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;
withdrawal of the land, including through the purchase for the public use and the resulting alienation of real property in accordance with the Laws of the Republic of Kazakhstan ;
creation and reconstruction of water supply, sewage, drainage, sewerage, heating and electricity networks that are in community property;
provision of the sanitation of settlements;
maintenance of burial places and burial of rootless;
street lighting in the settlements;
landscaping and planting of settlements;
gasification of settlements;
activities aimed at maintaining the seismic resistance of residential buildings, located in earthquake-prone regions of the country, in accordance with the legislative acts of the Republic of Kazakhstan;
housing construction of communal housing stock;
demolition of dilapidated housing in accordance with the legislative acts of the Republic of Kazakhstan;
7) culture, sports, tourism and information space:
support of theater and music of local importance;
preservation of historical and cultural heritage of local importance, and access to them;
support for cultural and leisure work;
operation of zoos and arboretums;
holding of socially significant events of local importance in the field of culture;
sports competitions at the local level;
preparation and participation of members of national teams of republican significance and the capital in various sports at republican and international sporting events;
regulation of tourist activities at the local level;
ensuring conservation of the archival collection of local importance;
operation of the city's libraries;
conducting the public information policy at the local level through the media;
development of the state language and other languages of Kazakhstan at the local level;
implementation of measures in the framework of the state youth policy at the level of the city of republican significance and the capital;
8) agro industrial complex, water management, specially protected natural areas, environmental protection and land relations:
regulation of plant breeding, seed production, animal breeding, veterinary medicine, processing and marketing of agricultural products at the level of republican significance and the capital, in accordance with the Laws of the Republic of Kazakhstan;

organization of diseased animal slaughter, construction of animal burial sites (bio thermal pits) and their maintenance;
maintenance, construction and repair of special storage facilities (burial);
disposal of pesticides (insecticides), acquired by the budget funds;
construction and reconstruction of water supply system of the city of republican significance and the capital;
establishment of protection zones, belts and zones of sanitary protection of the sources of drinking water supply;
restoration of especially emergency water facilities and hydro-reclamation systems of the city of republican significance and the capital;
maintenance and protection of specially protected natural areas of local importance;
implementation of measures for the protection of the environment;
the state ecological examination of objects of II, III, IV categories;
issuance of permits for emissions into the environment for II, III, IV categories;
regulation of land relations in the city of republican significance and in the capital;
land and economic structure of settlements;
compensation for damages, caused to the land owners or land users, in the cases established by the land legislation of the Republic of Kazakhstan;
9) architectural, town planning and construction activity:
organization of architectural, town planning and construction activity, with the exception of expenditure, financed from the republican budget;
9-1) energy conservation and energy efficiency: implementation of measures for energy conservation and energy efficiency at the local level;
10) transport and communications:
passenger transportation on socially important urban and suburban traffic;
construction, reconstruction, repair and maintenance of streets of cities, as well as technical means of traffic control on them;
11) regulation of economic activity:
state support for private enterprise;
state support for industrial innovation;
12) other areas:
transfers to the republican budget;
debt service of the local executive bodies;
execution of the concession obligations of the local executive bodies.
2. The costs of:
1) capital expenditures of state institutions providing public services or carrying out the activities specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;
2) budget investment projects, concession projects for co-financing from the budget and implementation of concession obligations under the areas specified in paragraph 1 of this Article;
3) other public services and activities of the local government of the city of republican significance and the capital, provided by the Laws of the Republic of Kazakhstan, - are also financed from the budgets of the city of republican significance and the capital.
3. Financing of the costs in the areas specified in this Article from the budgets of other levels is not permitted.
4. The costs of local executive bodies, financed from the budgets of the city of republican significance and the capital are planned on the basis of limits of staffing numbers, approved by the Government of the Republic of Kazakhstan, taking into account the natural norms and standards of public services.
5. The costs of the city’s district in the following areas are provided as part of the budgets of the city of republican significance and the capital:
1) operation of the administration of district’s Akim in the city;
2) implementation of households recording;

3) supporting the activities of preschool education and training;
4) organization of delivery of seriously ill people in emergency situations to the nearest health care organization, providing medical care;
5) provision of social assistance to the needy citizens at home;
6) providing sanitation of settlements;
7) maintenance of burial places and burial of rootless;
8) street lighting in the settlements;
9) landscaping and planting of the settlements.
Footnote. Article 55, as amended by the Laws of the Republic of Kazakhstan dated 02.12.2009 No. 212-IV (shall be enforced from 05.12.2009), dated 19.03.2010 No. 258-IV; dated 02.04.2010 No. 263-IV (shall be enforced from 01.01. 2010), dated 28.12.2010 No. 369-IV (shall be enforced from 01.01.2011), dated 29.12.2010 No. 372-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 22.07.2011 No. 479-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542 - IV (shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of its first publication), dated 15.04.2013 No. 89-V (shall be enforced upon expiry of thirty calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 56. Expenditures of the budget of the district (the city of regional importance)

1. Expenditures of the budget of the district (the city of regional importance) are carried out in the following areas:
1) the state functions of a general nature:
functioning of the local representative and executive bodies of the district (city) level ;
state planning at the district (city) level;
supporting the execution of the district (city) budget;
assessment of property for tax purposes;
management of community property of the district (city) level;
2) defense, public order and safety:
activities in the performance of military duties to ensure and maintain the regional military authorities, appointed by recruiting (teams) items, medicines, tools, health and economic assets, road transport, communications, medical and technical workers, and by service personnel and the establishment of medical commissions;
prevention and elimination of emergency situations of the local scale;
road safety in settlements;
providing the activities for the prevention and suppression of wildfires at the district (city) scale, and fires in settlements, where there is no the state fire service bodies;
3) education:
preschool education and training;
primary, basic secondary and general secondary education, including evening (shift) form of education, and general secondary education, provided by boarding school;
providing school competitions at the district (city) scale;
acquisition and delivery of textbooks and teaching materials to the education organizations that implement comprehensive training programs of preschool education, primary, basic, secondary and general secondary education;
additional education for children;

logistical support of state education institutions that implement educational curricula of primary, basic secondary and general secondary education (with the exception of educational organizations in correctional institutions of the penal system);

state support for orphans and children, left without parental care, their mandatory employment and housing;

medical care of students and pupils of educational institutions, except for the pre-school;

free and reduced price meals of certain categories of students and pupils;

4) social assistance and social security:

housing assistance;

material support for disabled children, who raised and educated at home;

monthly state allowance, allocated and paid to children under the age of eighteen;

provision of disabled persons in accordance with the individual program of rehabilitation with required hygiene products, the provision of personal assistant for the disabled of the first group, who have difficulty in movement, and sign language specialists for the hearing impaired;

social assistance to the needy citizens at home;

social adaptation of persons, who do not have a specific place of residence;

providing the employment of population;

the state targeted social assistance;

social assistance to certain categories of needy citizens under the decisions of local representative bodies;

5) housing and utilities infrastructure:

measures for the protection of the district (the city of regional importance) community property;

organization of the maintaining of public housing area of the district (the city of regional importance);

inventory of housing stock;

provision of housing for certain categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;

withdrawal, including through the purchase, of land for public use and the resulting alienation of real property in accordance with the Laws of the Republic of Kazakhstan;

demolition of emergency housing in accordance with the legislative acts of the Republic of Kazakhstan;

construction of housing of the communal housing stock;

activities, aimed at maintaining the seismic resistance of residential buildings, located in earthquake-prone regions of the country, in accordance with the legislative acts of the Republic of Kazakhstan;

creation and reconstruction of objects of water supply, sewage, drainage, sewerage, heating and electricity networks of communal property;

provision of sanitation of settlements;

maintenance of burial places and burial of rootless;

street lighting in the settlements;

landscaping and planting of settlements;

6) culture and sport:

support for cultural and leisure work

at the local level;

operation of the district (city) libraries;

operation of zoos and arboretums;

development of popular sports and national sports;

sports competitions at the district (the city of regional importance) level;

preparation and participation of members of national teams of the district (the city of regional importance) in different sports at regional sports competitions;

conducting the public information policy at the local level through the media;

development of the state language and other languages of Kazakhstan at the local level;

conducting activities within the state youth policy at the district (the city of regional importance) level;

7) agriculture and land relations:

construction and maintenance of animal burial sites (bio thermal pits) in cattle breeding ;

organization of slaughter of sick animals;

compensation the value of seized and destroyed sick animals, products and raw materials of animal origin to owners;

regulation of land relations at the district (the city of regional importance) level;

8) transport and communication:

construction, reconstruction, repair and maintenance of roads of the district (city) importance, and the technical means of traffic control on them;

passenger transportation on socially important urban (rural), suburban and inter-district communications, except for the railroad;

8-1) energy conservation and energy efficiency:

implementation of measures for energy conservation and energy efficiency at the district (the city of regional importance) level;

9) the regulation of economic activity:

the state support for private enterprise;

10) other areas:

transfers to the regional budget;

debt service of the local executive bodies.

2. The costs of:

1) capital expenditures of the state institutions, providing public services or carrying out the activities specified in paragraph 1 of this Article, as well as the costs of retraining and advanced training of employees of the state institutions;

2) budget investment projects, concession projects for co-financing from the state budget and the implementation of concession obligations in the areas specified in paragraph 1 of this Article;

3) other public services and activities of the local government of the district (the city of regional importance), provided by the Laws of the Republic of Kazakhstan, - are also financed from the budget of the district (the city of regional importance).

3. Financing of the costs in the areas specified in this Article from the budgets of other levels is not permitted.

4. The costs of local executive bodies, financed from the budget of the district (the city of regional importance) are planned on the basis of limits of staffing numbers, approved by the Government of the Republic of Kazakhstan, taking into account the natural norms and standards of public services.

5. The expenditures of the district in the city, the city of regional importance, township, village, aul (rural) districts are considered in the budget of the district (the city of regional importance)in the following areas:

1) operation of Akim’s administration of the district in the city, the city of regional importance, township, village, aul (rural) district;

2) implementation of households recording;

3) supporting the activities on civil registration;

4) pre-school education and training, including organization of medical care maintenance in the organizations of pre-school education;

5) organizing the free transportation of students to the nearest school and back to the aul (rural) areas;

6) organization of delivery of seriously ill people to the nearest health organization, providing medical care in emergency situations;

7) social assistance to the needy citizens at home;

8) organization of preservation of public housing fund of the city of regional importance

, township, village and aul (rural) district;
9) ensure the sanitation of settlements;
10) maintenance of burial places and burial of rootless;
11) street lighting in the settlements;
12) landscaping and planting of settlements;
13) support for cultural and leisure work at the local level;
14) construction, reconstruction, repair and maintenance of roads in the cities of regional importance, townships, villages, aul (rural) districts;
15) organization of water supply of settlements.
16) providing the employment of population at the local level;
17) conduct of health and fitness, and sports activities at the local level.

Footnote. Article 56, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 28.12.2010 No. 369-IV (shall be enforced from 01.01.2011), dated 22.07.2011 No. 479 -IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.01.2012 No. 542-IV (shall be enforced upon expiry of six months after its first official publication), dated 16.02.2012 No. 562-IV (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 15.04.2013 № 89-V (shall be enforced upon expiry of thirty calendar days from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days from the date of its first official publication), dated 17.01.2014 No.165-V (shall be enforced upon expiry of ten calendar days after its official publication).

Chapter 10. BUDGET COMMISSIONS

Article 57. The main provisions on the budget commissions

1. The budget commission is established to ensure the timely and qualitative development of the project of budget and make proposals for the refinement and implementation of the budget .
2. Republican budget commission and budget commissions of regions, the city of republican importance, capital, district (the city of regional importance) operate on a permanent basis.
3. The President of the Republic of Kazakhstan forms the Republican Budget Commission, approves the provisions of it, and determines its composition.
4. Akimats of regions, the city of republican importance, capital, district (the city of regional importance) form a budget commissions of regions, the city of republican importance, capital, district (the city of regional importance), approve the provisions of them and determine their composition.
5. Akimats of region, the city of republican significance, capital, district (the city of regional significance) shall attract to the work of the budget commissions of the region, the city of republican significance, capital, district (the city of regional significance) the representatives of the National Chamber of Entrepreneurs of Kazakhstan on issues, affecting the interests of private entrepreneurs, according to legislation of the Republic of Kazakhstan.

Footnote. Article 57, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 130-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 58. The competence of the budget commissions

The competence of the budget commissions is:

1) the development of proposals for the forecast of socio-economic development;

1-1) the development of proposals for spending limits of administrators of budget programs and limits on new initiatives;

2) development of proposals for the measurement of draft budgets;

3) development of proposals for the draft regulatory legal acts, providing the increasing of the costs or reducing the income of the republican or local budgets;

4) development of proposals for the refinement of budgets;

5) review of the results of budget monitoring, evaluation of the results and development of proposals for them;

6) other authorities, provided by this Code and by the provisions of the budget commissions.

Footnote. Article 58, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 59. The composition and the working bodies of the budget commissions

1. The structure of the budget commissions is: a chairman, deputy chairmen, a secretary and members of the budget commissions.
2. The working bodies of the budget commissions are the central competent authority on budget planning or local authorized body for state planning.
3. Chairman of the Budget Commission shall administer its activities, provide the meetings of the budget commission, plan its work and shall have general supervision over the implementation of its proposals and shall be responsible for the activities, carried out by the Commission. During the absence of the chairman, the deputy chairman of the budget commission assigned by him (her) performs his (her) functions.
4. Secretary of the Budget Commission coordinates the provision of activity of the budget commission, prepares the minutes of meetings of the budget commission.
5. The working body prepares materials for the meetings of the budget commission in accordance with the terms and with the agenda, determined by the Budget Commission.

Footnote. Article 59, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

SPECIAL PART

SECTION 3. THE DEVELOPMENT, REVIEW, APPROVAL OF THE BUDGET

Chapter 11. THE BASIS OF BUDGET PLANNING

Article 60. General provisions on the basis of the budget planning

1. The system of state planning is determined by the President of the Republic of Kazakhstan.
2. The following documents:

1) the forecast of socio-economic development of the Republic or the region;

2) the Law on the republican budget, the decision of maslikhat on the local budget;

3) the strategic plans of state bodies;

4) the operational plans, - are used in budget process.

3. The central competent authority on state planning provides the methodological guidance for state planning, and develops the proposals to improve the system of state and budget planning.

Footnote. Article 60, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 61. Forecast of the social and economic development

1. Forecast of the social and economic development is a document, defining the parameters of the economic development of the country, the region and the state economic policy for the medium term, taking into account the strategic objectives in relation to the budget parameters for three years.

1-1. Forecast of the social and economic development is developed annually on a rolling basis for five years taking into account the strategic and program documents and the annual message of the President of the Republic of Kazakhstan to the nation on the situation in the country and the main directions of domestic and foreign policy of the Republic and shall contain:

1) at the central level of state administration:

external and internal conditions of economic development;

goals and objectives of economic policy for the medium term, including fiscal policy;

the main directions and measures of economic policy for five years, including fiscal policy;

forecast of the social and economic development for five-year period;

forecast of the budget parameters for three year period, including revenue projections and expenditures of the consolidated, state and republican budgets, and the budget deficit;

new spending initiatives, aimed at implementing the priorities of social and economic development;

the list of priority republican budget investment;

the list of conditionally financed expenditures;

2) at the local state administration level:

forecast, trends, priorities, target indicators and indicators of social and economic development of the region;

budget parameters for three years, which shall contain:

the basic parameters of the respective local budgets;

new spending initiatives, aimed at implementing the priorities of social and economic development of the region;

the list of priority local budget investment.

Target indicators and indicators are set in key areas (areas) to determine the quantitative and qualitative results, to the achievement of which the social and economic policy of the Republic of Kazakhstan or the region over a five year period should be sent.

2. The Government of the Republic of Kazakhstan (the local executive body) may include the additional indicators of social and economic development and budgetary parameters.

3. Forecast of budget parameters for the second and third years of the planning period is indicative and may be refined in the design of the forecast of budget parameters for the next planning period, taking into account changes of forecast in the social and economic development , budget monitoring and evaluation of the results, other internal and external factors.

4. Forecast of social and economic development is developing respectively by the central and local competent authorities for the state planning and approved by the Government of the Republic of Kazakhstan or by the local executive body and shall be published in the media.

5. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

6. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

7. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

7-1. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

8. The order of development of the forecast for the social and economic development is determined by the Government of the Republic of Kazakhstan.

Footnote. Article 61 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 62. The strategic plan of the state body

1. The strategic plan of the state body is developed every three years for a five year period on the basis of strategic and program documents of the Republic of Kazakhstan and forecast of the social and economic development.

Note of the RCLI!

Paragraph 2 is provided to amend by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2015).

2. The strategic plan of the state body shall define the strategic direction, goals, objectives, performance indicators of the state body.

The strategic plan of the state body, except for the National Bank of the Republic of Kazakhstan, shall include the budget programs with the amount of funding for the planning period.

3. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Note of the RCLI!

Paragraph 4 shall be amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No . 150-V (shall be enforced from 01.01.2015).

4. The strategic plan of the state body, included in the structure of the Government of the Republic of Kazakhstan, is approved by the Government of the Republic of Kazakhstan.

The strategic plan of the state body, directly subordinate and accountable to the President of the Republic of Kazakhstan, is approved by the President of the Republic of Kazakhstan or by an officer authorized by him.

The strategic plans of the Supreme Court of the Republic of Kazakhstan, the Central Election Commission of the Republic of Kazakhstan, the National Security Committee of the Republic of Kazakhstan are approved in the manner determined by the President of the Republic of Kazakhstan.

The Constitutional Council of the Republic of Kazakhstan, the Administration of the President of the Republic of Kazakhstan, the Department of Presidential Affairs of the Republic of Kazakhstan, the Security Service of the President of the Republic of Kazakhstan, the Office of the Prime Minister of the Republic of Kazakhstan, Commercial management of the Parliament of the Republic of Kazakhstan, the National Centre for Human Rights of the Republic of Kazakhstan, the Foreign Intelligence Service of the Republic of Kazakhstan “Syrbar”, Republican Guard of the Republic of Kazakhstan, the Accounts Committee for Control over the Execution of the

Republican Budget, audit committees of regions, cities of republican importance, capital, administrations of Maslikhats and executive bodies, funded from the region’s budget (the city of regional importance), shall not develop the strategic plans.

5. Is excluded by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2015).

6. The strategic plans of the central state bodies or the changes and additions to the strategic plans after the approval of the republican budget shall be finalized, approved, within one month from the date of signing by the President of the Republic of Kazakhstan of the Law on the republican budget and shall be published in the media within ten calendar days with the provision of protection of state secrets in accordance with the legislation of the Republic of Kazakhstan.

7. The changes and additions to the strategic plan of the state body are allowed in the following cases:

1) adoption of new, or changes in the Laws of the Republic of Kazakhstan;

2) adoption of new, or changes in the strategic and program documents;

3) changing the functions, structure of the state body;

4) changing the parameters of the state or local budgets that affect the achievement of targets.

In the case of changes and additions to the strategic plans of the state bodies, the requirements established by this Code in the development and approval of strategic plans shall be complied with.

In the case of changes and additions to the strategic plans of the state bodies, relating to the specification of the budget, the requirements established by this Code in the development and approval of the budget and strategic plans shall be complied with.

The draft of changes and additions to the strategic plans of the state bodies, related to the changes in the level of funding are considered by the appropriate budget commission.

8. The state bodies within the structure of the Government of the Republic of Kazakhstan are developing the projects of memoranda for the next fiscal year, annually before September 1 of the current fiscal year.

The memorandum is developed in the implementation of the strategic plan of the state body and contains the key target indicators and the task indicators with the value of not less than specified in the strategic plan, the achievement (performance) of which the first head of the state body shall provide within the budget for the current year. The key target indicators and the target tasks are the indicators that determine the degree of achievement of objectives, strategic goals and directions, the qualitative aspect of which reflects the nature of the changes that occur as a result of the implementation of strategic goals and directions, and quantitative - its measurable absolute or relative values.

The memorandum is signed by the first head of the state body and approved by the Prime Minister of the Republic of Kazakhstan.

The order of development, evaluation and maintenance of memoranda is approved by the authorized body for the state planning.

Footnote. Article 62 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Laws of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after the first publication), dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No.150-V (the order of enforcement see Art. 2).

Note of the RCLI!
Article 63 is provided to amend by the Law of the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced from 01.01.2016).

Article 63. The operational plan

The state body develops the operational plan to implement the strategic plan.
The operational plan is a document that contains the specific actions of the state body in the current fiscal year, indicated by resources, responsible executives and terms of the activities to achieve the goals, objectives and performance indicators of the strategic plan.
The operational plan is developed annually and approved before January 10 of the current fiscal year by the executive secretary (head) of the state body.

Chapter 12. BUDGETING

Article 64. General provisions on the budget development

1. The Republican budget is annually developed for the planning period by the central authorized body for budget planning, taking into account the forecast for the social and economic development, the conclusions of the central authorized body for the state planning upon the review of strategic plans of the state bodies.
1-1. Local budgets are annually developed for the planning period by the local authorized bodies for the state planning, taking into account the forecast for social and economic development.
2. The administrators of budget programs, local executive bodies are not allowed to make to the Government of the Republic of Kazakhstan, the central competent bodies for the state and budget planning and local authorized bodies for the state planning the proposals to increase the budget expenditure out of the planning process or refine the budget.
3. The order for development of the draft republican budget is determined by the President of the Republic of Kazakhstan.
The order for development of the draft local budgets is determined by the Government of the Republic of Kazakhstan.
Footnote. Article 64, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 65. Forecasting the budget revenues

1. Forecasting the revenues to the state and republican budgets, the National Fund of the Republic of Kazakhstan on categories, classes and subclasses of a single budget classification is made by the central competent body for budget planning, taking into account the forecast for social and economic development.
1-1. Forecasting the revenues to the local budget is made by the local authorized body for the state planning, taking into account the forecast for social and economic development.
2. Reflection of revenues of the budget in the form of cost of goods (works, services) is allowed only upon receipt of tied grants in the form of free technical assistance, as well as in the cases provided by the international treaties, ratified by the Republic of Kazakhstan. In this case, the budget program in an amount equal to the value of the goods (works, services) shall be provided in the costs.

3. The method for forecasting the revenues to the budget is developed and approved by the central competent body for budget planning.

Footnote. Article 65, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 65-1. Spending limits for administrators of budget programs, limits on new initiatives

Spending limits of administrators of budget programs, limits on new initiatives shall be determined by the central and local authorized bodies for state planning based on the targets of socio-economic development of the country (region) and the republican and local budgets, priorities of budget spending, the amount of deficit of the corresponding budget for the planned three-year period.

Spending limits are determined for each administrator of budget programs.

Spending limits of administrators of budget programs, limits on new initiatives are determined by the proposals of the corresponding budget commission.

Administrators of budget programs shall be notified about the approved limits before May 1 of the current year.

Procedure for determining the spending limits of administrators of budget programs, limits on new initiatives shall be established by the Government of the Republic of Kazakhstan.

Footnote. The Code is supplemented by Article 65-1 in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication)

Article 66. The documents submitted by the administrators of budget programs for planning the budget expenditures

1. For planning the budget expenditures the administrators of the republican budget programs shall present:

the projects of strategic plans or the draft of changes and additions to the strategic plans, budget requests and the projects of budget programs to the central authorized body for budget planning before May 15 of the current financial year;

2. The administrators of budget programs, not developing the strategic plans, shall present the budget requests and the projects of budget programs to the central authorized body for budget planning or local authorized body for state planning before the 15 May of the current financial year.

3. In cases of assessment of the results, the evaluation results are included to the documents, specified in this Article.

Footnote. Article 66 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 67. The Budget request

1. The budget request is a collection of documents, compiled by the administrator of budget programs for the next planning period to justify the expenditure.

1-1. Budget request is made on the basis and within the spending limits of administrators of budget programs, limits on new initiatives.

2. The budget expenditures are divided into basic expenses, and expenditures for new initiatives.

3. The basic expenditures are the costs of a continuing nature, capital costs, and the costs for the started (continued) budget investment projects and concession projects for co-financing from the budget.

4. The expenditures of a continuing nature are the costs, associated with the implementation of state functions, powers, and the provision of public services, transfer payments and other obligations of the state.

5. The expenditures for new initiatives include the expenditures intended to:

the implementation of new priority areas of social and economic development in accordance with the strategic and program documents, which subsequently funded by the new budget programs;

the increase in the base expenditures that is not associated with changes in the macroeconomic and social indicators and providing the additional areas of budget spending (expansion of the performed state functions and public services) within the existing budget programs.

Planning of the expenditures for new initiatives of the administrator of budget programs is carried out both by the additional budgetary funds and by reallocation of funds of the base expenditures of the administrator of budget programs, approved in the Law on the republican budget or in the decision of maslikhat on the local budget, for the previous planning period.

6. Budget request shall include:

1) the calculations by type of expenditure for each budget program that is included in the draft strategic plan, strategic plan or the draft of changes and additions to the strategic plan, or the calculation by type of expenditure for each budget program of the administrator of budget programs, not developing a strategic plan;

2) the information on the received and used tied grants as at January 1 of the current fiscal year with a breakdown of the amount of the tied grants in spending areas;

3) the information on the received and used untied grants as at January 1 of the current fiscal year;

4) the forecast for revenues and expenditure of money from the sale of goods (works, services) by the state institutions, remaining at their disposal in the form, prescribed by the central authorized body for budget planning;

4-1) a report on the results of monitoring of budget investment projects, including the targeted transfers to development, according to the results of the first quarter of the current financial year;

5) an explanatory note;

6) other necessary information, requested by the central authorized body for budget planning or by local competent body for state planning.

7. If the administrator of the budget programs in the draft strategic plan or in the draft of changes and additions to the strategic plan proposes to develop or make changes and additions to the regulatory legal acts that require additional spending or reduce the revenues of the budget, at the same time with the budget request the draft regulatory legal act shall be introduced.

8. If for some budget programs the amount of expenses of the second and third years of the previous plan period is not changed compared to the amount approved under these programs in the Law on the republican budget or in the decision of maslikhat on the local budget, the calculations by expenditure types are not compiled under these programs.

The calculations by expenditure types under these programs are drawn up only in the third year.

9. The explanatory note to the budget request shall contain the main areas of spending funds for the planning period, a brief description and a description of the claimed budget programs, the rationale for increasing the base cost, the analysis of the achieved performance results and the reasons for variations within the budget programs, included as part of the last year’s budget request.

10. In case of noncompliance of the budget request to the budget legislation of the

Republic of Kazakhstan for its preparation and submission the central authorized body for budget planning or local authorized body for state planning return it to the administrator of the budget program without consideration.

11. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication).

12. The administrator of budget programs shall ensure the completeness and accuracy of information and calculations, contained in the budget request.

12-1. Responsibility for the validity of the budget request and reliability of calculations to the budget request shall carry the head of administrator of the budget programs in accordance with the Laws of the Republic of Kazakhstan.

Responsibility for the validity of the budget request and reliability of calculations to the budget request for budget programs, aimed at embedding the target contribution shall carry the head of autonomous organization of education in accordance with the Laws of the Republic of Kazakhstan.

13. Procedure for preparation and submission of budget requests is determined by the central authorized body for budget planning.

Footnote. Article 67, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 68. Consideration of the draft strategic plans or draft of changes and additions to the strategic plans, the projects of budget program of the administrators of budget programs , not developing the strategic plans and budget requests

1. The central authorized body for state planning taking into account the results of the analysis of budget execution for the financial year, and the results of evaluating the performance of a state authority to establish and implement the strategic goals and objectives in the supervised branch (sphere) and budget management shall consider:

1) the draft strategic plans or draft of changes and additions to the strategic plans for their consistency with the strategic and program documents, the forecast for social and economic development of the state, the budget and other legislation of the Republic of Kazakhstan;

2) budget requests of administrators of budget programs for their compliance with the budget and other legislation of the Republic of Kazakhstan, the forecast of socio-economic development, and natural norms applicable and draft strategic plans or of changes and additions to the strategic plans;

3) Indicators of project budget programs of administrators of budget programs, not developing strategic plans for their relationship with the strategic objectives with the objectives of the strategic directions;

4) Indicators of project budget programs of administrators of budget programs, not developing strategic plans for their compliance with the functions, powers, activities of administrator of budget programs.

2. Local authorized body for state planning taking into account the results of the analysis of budget execution for the financial year, and the results of evaluating the performance of a state authority to manage budget funds shall consider:

1) budget requests of administrators of budget programs for compliance with the budget and other legislation of the Republic of Kazakhstan, the forecast of socio-economic development , the indicators of the program of development of territories and the current natural norms;

2) draft budget program of administrators of budget programs for their compliance with

the functions, powers, activities of administrator of budget programs.

3. Central and local authorized bodies for the state planning on the basis of consideration of draft strategic plans or draft amendments and additions to the strategic plans , budget requests, projects of budget program of the administrators of budget programs shall form an opinion on the draft strategic plan and draft amendments and additions to the strategic plans, budget requests, and the projects of budget programs and direct them to the appropriate budget commission for consideration.

4. Disagreements between the administrators of budget programs and the central or local authorized bodies for the state planning are considered by the relevant budget commission. The relevant budget commission considers the appropriate materials, referred to in paragraphs 1, 2 and 3 of this Article, and make proposals on them.

5. Administrators of budget programs in accordance with the proposals of the budget commission shall submit to the central or local authorized bodies for the state planning the finalized draft strategic plans or draft amendments and additions to the strategic plans, projects of budget programs and budget requests.

6. Administrators of budget programs, not developing the strategic plans, shall submit to the central or local authorized bodies for the state planning the finalized draft budget programs and budget requests.

Footnote. Article 68 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication), as amended by the Law of the Republic of Kazakhstan dated 14.01.2014 No. 161-V (shall be enforced upon expiry of ten calendar days after its first official publication) .

Article 69. The Natural norms

1. The natural norms are the natural indicators of consumption or use of the necessary material and intangible benefits.

2. The natural norms are developed by the central state bodies and approved by the Government of the Republic of Kazakhstan.

3. The central state bodies are entitled to submit to the Republican Budget Commission the proposal to amend or repeal the natural norms.

Article 70. The money from the sale of goods (works, services) by the state institutions

1. The money from the sale of goods (works, services) by the state institutions shall be credited to the appropriate budget, with the exception of the money from the sale of goods (works, services) provided by the state institutions in the fields of education, variety testing , veterinary medicine, forestry, specially protected natural areas, the armed forces specializing in the field of sports, as well as by public libraries, state museums and museum-reserve, in accordance with the legislative acts of the Republic of Kazakhstan.

2. The procedure for the provision of paid activities for the sale of goods (works, services) by the state institutions, the money from the sale of which remain at their disposal in accordance with paragraph 1 of this Article, and their spending of money from the sale of goods (works, services) are developed by the central state body in the appropriate area (scope) and approved by the Government of the Republic of Kazakhstan.

Footnote. Article 70, as amended by the Laws of the Republic of Kazakhstan dated 11.12.2009 No. 229-IV (the order of enforcement see Art. 2), dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 71. The development of the draft Law on the republican budget

1. The central authorized body for budget planning shall develop the draft of the republican budget and submit it to the Republican Budget Commission.

2. The consideration and determination of the draft of the republican budget shall be completed no later than August 1 of the current fiscal year.

3. The text of the draft Law on the republican budget should contain:

the amounts of revenues, income from transfers, expenses, net budget lending, the balance of financial assets, the deficit (surplus), deficit financing (the use of surplus);

the minimum wages, pension, the monthly calculation index, the cost of living and the state basic pension payment;

the volume of budgetary withdrawals from local budgets to the republican budget;

the budget subventions transferred from the republican budget to local budgets;

the amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan;

the amount of reserve of the Government of the Republic of Kazakhstan;

the limit for the state guarantees of the Republic of Kazakhstan;

the limit for the provision of the state guarantees;

the limit of the government debt;

the limit of the concession liabilities of the Government of the Republic of Kazakhstan;

the volume of the conventionally financed expenditures;

other provisions, - for the next financial year.

4. The draft Law on the republican budget shall include:

1) the draft of the republican budget for the planning period, formed by separate applications for each year of the planning period in accordance with a structure, defined by this Code and by the unified budget classification.

At the same time, the revenues are set out by categories, classes and subclasses, and the expenditures are set out by functional groups, administrators of the budget programs and the budget programs. The section “financing the (the use of surplus) budget deficit” shall be presented by the total amount.

The basic expenses set out in the expenses for the second and third years of the planning period by the functional groups, administrators of the budget programs and the budget programs, and the expenses for new initiatives are reflected in a budget program;

2) the amount of revenues for the current fiscal year, allocated to the National Fund of the Republic of Kazakhstan;

3) the list of the republican and local budget programs for the next fiscal year, which are not subject to sequestration in the process of implementation of the budget;

4) other data.

5. The amount of the alleged deficit (surplus) of the republican budget for the next fiscal year is reflected in terms of money and in percentage to the gross domestic product.

6. The central authorized body for budget planning shall submit a draft Law on the republican budget for the consideration of the Government of the Republic of Kazakhstan no later than 15 August of the current fiscal year.

Footnote. Article 71, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 72. Project development of the solutions of maslikhat on the regional budget, the budgets of the city of republican significance and the capital

1. The local authorized body for state planning shall make the project of the regional budget, the budgets of the city of republican significance and the capital and submit it to the budget committee of the region, the city of republican significance and the capital for consideration.

2. The consideration and determination of the project of the regional budget, the budgets of the city of republican significance and the capital shall be completed no later than September 15 of the current fiscal year.

3. The text of the project's decision on the regional budget, the budgets of the city of republican significance and the capital should contain:

1) the amount of revenues, income from transfers, expenses, net budget lending, the balance of financial assets, the deficit (surplus),the budget deficit financing (the use of surplus);

2) the amount of budget subventions transferred from the regional budget to the budgets of the districts (the cities of the regional importance);

3) the amount of budget withdrawals from the budgets of the districts (the cities of regional importance) to the regional budget;

4) the amount of the reserve of the local executive body of the region, the city of republican significance and the capital;

5) other provisions, - the next financial year.

4. The project of the decision on the regional budget, the budgets of the city of republican significance and the capital shall include:

1) the project of the regional budget, the budgets of the city of republican significance and the capital for the planning period, formed by separate applications for each year of the planning period in accordance with a structure, defined by this Code and the unified budget classification.

At the same time the revenues are set out by categories, classes and subclasses, and the expenses set out by the functional groups, administrators of budget programs and the budget programs. The section "financing the budget deficit (the use of surplus)"shall be presented by the total amount.

The expenses for the second and third years of the planning period, the basic expenses are set out by the functional groups, administrators of the budget programs and the budget programs, and the expenses for new initiatives are reflected in a budget program;

2) the list of the local budget programs for the next financial year, which are not subject to sequestration in the implementation of the local budget for the next fiscal year, including the established by the Law on the republican budget;

3) the amount of the revenues to the National Fund of the Republic of Kazakhstan from the sale of agricultural land for the next fiscal year;

4) the budget programs of each district in the city;

5) other data

5. The amount of the alleged deficit (surplus) of the regional budgets, the budgets of the city of republican significance and the capital is reflected in monetary terms.

6. The local authorized body for state planning shall submit the draft of the regional budget, the budgets of the city of republican significance and the capital to the local executive bodies of city of republican significance and the capital no later than October 1 of the current fiscal year.

Footnote. Article 72, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No.263-IV (shall be enforced from 01.01.2010).

Article 73. Development of the draft decision of maslikhat on the regional budget (the city of regional significance)

1. The local authorized body for state planning shall develop the draft of the regional budget (the city of regional importance) and submit it to the budget commission of the region (the city of regional importance) for consideration.

2. The consideration and determination of the draft of the regional budget (the city of regional importance) shall be completed no later than October 1 of the current fiscal year.

3. The text of the draft decision of maslikhat on the regional budget (the city of regional importance) should contain:

1) the amount of revenues, income from transfers, expenses, net budget lending, the balance of financial assets, the deficit (surplus),financing of the budget deficit (the use of surplus);

2) the amount of budgetary subventions transferred from the regional budget to the budget of the district (the city of regional importance);

3) the amount of budget withdrawals from the budget of the district (the city of regional importance) to the regional budget;

4) the amount of the reserve of the local executive body of the district (the city of regional importance);

5) other provisions, - for the next fiscal year.

4. The draft decision on the budget of the region (the city of regional importance) shall include:

1) the draft of the budget of the region (the city of regional importance) for the planning period, formed by separate applications for each year of the planning period in accordance with a structure, defined by this Code and the unified budget classification.

At the same time, the revenues are set out by categories, classes and subclasses, and the expenses set out by the functional groups, administrators of the budget programs and the budget programs. The section “financing of the budget deficit (the use of surplus)” shall be presented by the total amount.

In the expenses for the second and third years of the planning period, basic expenses are set out by the functional groups, administrators of the budget programs and the budget programs , and the expenses for new initiatives are reflected in a budget program;

2) the list of the budget programs for the next financial year, which are not subject to sequestration in the implementation of the local budget, including the established by the decision of the regional maslikhat on the approval of the regional budget;

3) the amount of the revenues to the National Fund of the Republic of Kazakhstan from the sale of agricultural land for the next fiscal year;

4) the budget programs of each district in the city, the city of regional importance, township, village, aul (rural) district;

5) other data.

5. The amount of the alleged deficit (surplus) of the budget of the region (the city of regional importance) for the next fiscal year is reflected in monetary terms.

6. The local authorized body for state planning shall submit a draft of the budget of the region (the city of regional importance) to the local executive body of the region (the city of regional importance) no later than October 15 of the current fiscal year.

Footnote. Article 73, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Chapter 13. GENERAL PROVISIONS OF THE REVIEW PROCESS AND APPROVAL OF THE DRAFT BUDGET

Article 74. General provisions on the review and approval of the draft republican budget

1. The draft Law on the republican budget shall be introduced by the Government of the Republic of Kazakhstan to the Parliament of the Republic of Kazakhstan not later than 1

September of the current fiscal year.

The Government of the Republic of Kazakhstan together with the draft Law on the republican budget shall present the following documents and materials:

1) the forecast for social and economic development;

2) the draft of strategic plans or draft of changes and additions to the strategic plans of the central state bodies;

2-1) the draft of budget programs of administrators of budget programs, not developing the strategic plans;

3) the information on the state of the public and publicly guaranteed debt for the last reporting date;

4) the information that specifies the directions of budget spending in the context of budgetary subprograms of the budget programs, and an explanatory note, revealing the decisions, incorporated in the draft republican budget.

2. The approval of the republican budget shall be in the separate sessions of the Chambers, by consecutive consideration, first in the Mazhilis, and then in the Senate no later than on December 1 of the current fiscal year.

3. If the Parliament of the Republic of Kazakhstan is not adopt the Law on the republican budget before December 1 of the current year, the President of the Republic of Kazakhstan shall have the right to issue a decree on the republican financial plan for the first quarter of the next financial year, which shall be valid until the approval of the Law on the republican budget by the Parliament of the Republic of Kazakhstan. The draft decree of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the next financial year, as well as the draft decision of the Government of the Republic of Kazakhstan on its implementation shall be developed by the central authorized body for budget planning.

The republican financial plan for the first quarter of the next financial year shall be approved no later than 25 December of the current year in the amount of one-fourth of the forecast for the republican budget for the next fiscal year.

The execution of the republican financial plan is carried out in the manner, prescribed by this Code.

4. If the republican financial plan for the first quarter of the next fiscal year is approved, the republican budget for the fiscal year shall be approved no later than 1 March of the same year.

In this case, the republican budget for the financial year is approved taking into account the republican financial plan for the first quarter of that year.

5. The Law on the republican budget with the applications, the decree of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the upcoming financial year with the applications shall be published in the media.

Footnote. Article 74, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 75. General provisions on the review and approval of the draft local budget

1. The draft of the regional budget, the budgets of the city of republican significance and the capital shall be submitted by the local executive body of the region, the city of republican significance and the capital to the appropriate maslikhat no later than October 15 of the current fiscal year.

The draft budget of the region (the city of regional importance) shall be submitted by the local executive body of the region (the city of regional importance) to the appropriate

maslikhat no later than 1 November of the current fiscal year.
The local executive body together with the draft of the local budget shall present the following documents and materials:
1) the forecast for social and economic development of the region;
2) is excluded by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication);
2-1) the draft of budget program of administrators of the budget programs, not developing the strategic plans;
3) the information that specifies the directions of budget spending in the context of budget subprograms of the budget programs, and an explanatory note, revealing the decisions, incorporated in the draft local budget.
2. The regional budget, the budgets of the city of republican significance and the capital are approved by the relevant maslikhats not later than two weeks after the signing of the President of the Republic of Kazakhstan of the Law on the republican budget.
The budget of the region (the city of regional importance) is approved by maslikhat not later than two weeks after the signing of the solution of the regional maslikhat on the approval of the regional budget.
3. If maslikhat does not make the decision on the local budget within the term established by paragraph 2of this Article, the local executive body of the respective administrative-territorial unit shall issue a resolution on the local financial plan for the first quarter of the next financial year, which shall be valid until the approval of the local budget by maslikhat. The draft resolution of the local executive body on the local financial plan for the first quarter of the next financial year is developed by the local authorized body for state planning.
The local financial plan for the first quarter of the next financial year is approved no later than 25 December of the current year in the amount of one-fourth of the forecast for the local budget for the next fiscal year.
The execution of the local financial plan is carried out in the manner prescribed by this Code.
4. If the local financial plan for the first quarter of the next financial year is approved, the local budget for the financial year shall be approved no later than 1 March of the same year.
5. The local executive bodies of the regions, the city of republican significance and the capital, within seven calendar days after the decision of maslikhats of the regions (cities) on the approval of the budgets of regions (the cities of regional importance) shall present the budgets of the regions, the city of republican significance and the capital, consolidated on the basis of the approved local budgets, as well as a list of investment projects for the planning period, financed from local budgets to the central authorized body for state planning and the central authorized body for the implementation of the budget.
6. The maslikhat decision on the local budget with applications and the decision of the local executive body on the local financial plan for the first quarter of the next financial year, with applications shall be published in the media.
Footnote. Article 75, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first publication); dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 76. Basic principles of considering the draft budgets by the representative bodies

1. The representative bodies adhere to the following principles in considering the draft budgets:
1) the principle of reasonableness;
2) the compliance with the principle of a balanced budget.
2. The principle of reasonableness means that any suggestions of deputies on making changes or additions to the draft budget must be accompanied by a written statement of the need to introduce these amendments, their compliance with the priorities of social and economic development with the relevant calculations to it and the proposals to adjust the goals, objectives and performance indicators of the state bodies, specified in their strategic plans.
3. The compliance with the principle of a balanced budget means that the additional sources of revenue or the cut expenses to keep the amount of the budget deficit no more than in the draft budget should be identified in making of any changes or additions to the draft budget by the deputies.
Footnote. Article 76, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 77. The consideration of the draft republican budget in the Parliament of the Republic of Kazakhstan

The consideration of the draft Law on the republican budget in the plenary of the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan shall include the reports of the person (s),authorized by the Government of the Republic of Kazakhstan on the forecast of social and economic development and the draft Law on the republican budget, the Chairperson of the National Bank of the Republic of Kazakhstan on the monetary policy, and the persons authorized by the Chambers of the Parliament of the Republic of Kazakhstan, with the conclusions on the draft Law.
Footnote. Article 77, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 78. The consideration of the draft local budget in the standing committees of maslikhat

1. The draft local budget is considered in the standing committees of the relevant maslikhat.
2. The standing committees of the relevant maslikhats shall create the working groups from the committee members. The representatives of local executive bodies may be involved in the working groups.
3. The standing committees, taking into account the views of the working groups shall develop the proposals for amendments and additions to the draft local budget with the appropriate justifications and estimates, and direct them to the leading standing committee, defined by the relevant maslikhat.
4. The leading standing committee shall carry out a set of proposals of the standing committees, which shall be submitted to the session of maslikhat. Only those proposals that have the appropriate justification and calculations shall be entered into the set.
5. Discussion of the draft local budget at the session of the relevant maslikhat shall include the reports of akim of the respective administrative-territorial unit or a person (s), authorized by the local executive body on the forecast of social and economic development of the region and the draft local budget, and the persons, authorized maslikhat, with the

conclusion on the draft local budget.

Footnote. Article 78, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 79. The resolutions of the Government of the Republic of Kazakhstan and the local executive bodies on the implementation of the Law on the republican budget and the decisions of maslikhats on the local budgets

1. The resolution of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget is adopted in a week's time from the date of signing of the Law on the republican budget by the President of the Republic of Kazakhstan.

The decision of the local executive body for the implementation of the solutions of maslikhat on the local budget is adopted within two weeks after the approval of the local budget by the maslikhat.

The projects of resolutions of the Government of the Republic of Kazakhstan and the local executive bodies on the implementation of the Law on the republican budget and the implementation of the solutions of maslikhat on the local budgets are developed respectively by the central authorized body for budget planning or by the local authorized body for state planning.

2. The resolutions of the Government of the Republic of Kazakhstan and the local executive bodies on the implementation of the Law on the republican budget and the implementation of the solutions of maslikhat on the local budget are provided the instructions to the authorized body for budget execution, administrators of the budget of programs to ensure the timely implementation of the budget, to the local executive bodies regarding the use of the targeted transfers and loans from the higher budget.

The decision of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget shall include:

1) the distribution of the targeted current transfers and the loans to the lower budgets between the regions, the city of republican significance and the capital;

1-1) the distribution of the total reserve of the Government of the Republic of Kazakhstan by the type of reserve;

2) the list of the priority republican budget investments, including budget investments in the context of the objects, as well as the targeted transfers for development and the loans by regions, cities of republican significance and the capital for the planning period;

Note of the RCLI!

Subparagraph 2-1) shall be enforced from 01.07.2011.

2-1) the list of the priority republican budget investments, including investment projects, as well as the targeted transfers for development and the loans by regions, cities of republican significance and the capital for the planning period in the context of the objects, aimed at the implementation of particularly important and demanding prompt implementation tasks , not passing the last stages of planning, provided in Articles 152 and 156 of this Code, but with positive suggestions of the Republican Budget Commission.

In cases of failure to submit the appropriate documentation in a timely period, the budget investments are excluded from the republican budget for clarification or correction. In this case, the amounts available for the implementation of these budget investments, may be redistributed among other budget investments of the appropriate administrator of budget programs;

3) the list of the concession projects for the planning period, requiring co-financing from the republican budget, in the context of objects;

4) Is excluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010);

5) the list of the state tasks, indicating the administrator of the budget programs and legal entities, responsible for the implementation of the state tasks;

5-1) the list of conditionally financed expenditure with the indication of the administrators of budget programs;

6) other data or indicators, necessary for the implementation of the Law on the republican budget, the determination of which entrusted to the Government of the Republic of Kazakhstan.

The decision of the local executive bodies on the implementation of the solutions of maslikhat on the local budget shall include:

1) the distribution of the targeted transfers and the loans to the lower budgets between the regions (the cities of regional importance);

1-1) the distribution of the total reserve of the local executive body by types of reserve;

2) the list of the priority local budget investments, including investment projects in the context of the objects, as well as the targeted transfers for development by regions and cities of regional significance for the planning period;

3) the list of the concession projects for the planning period, requiring co-financing from the local budget in the context of objects;

4) is excluded by the Law of the Republic of Kazakhstan dated02.04.2010 No. 263-IV (shall be enforced from 01.01.2010);

5) other data or indicators needed to implement the solutions of maslikhat on the local budget, the definition of which entrusted to the local executive body.

3. In case of clarification of the republican budget, the resolution of the Government of the Republic of Kazakhstan on amendments and additions to the resolution of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget shall be approved within ten days from the date of signing by the President of the Republic of Kazakhstan the Law on amendments and additions to the Law on the republican budget.

In case of clarification of the local budget, the decision of the local executive body on amendments and additions to the decision of the local executive body for the implementation of the solution of maslikhat on the local budget shall be approved within two weeks after approval of the solution of maslikhat on amendments and additions to the solution of maslikhat on the local budget.

Footnote. Article 79, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication),dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 14. DEVELOPMENT, INTRODUCTION OR TERMINATION OF THE EMERGENCY STATE BUDGET

Article 80. The basis for the development, introduction or termination of the emergency state budget

1. The basis for the development, introduction or termination of the emergency state budget is the decrees of the President of the Republic of Kazakhstan on the introduction or the full or partial cancellation of the emergency or martial Law in the territory of the Republic of Kazakhstan.

2. The imposition of the state of emergency in several regions of the Republic of Kazakhstan, at the same time can be the basis for the introduction of emergency state budget only in a case, where the consequences of a state of emergency can pose a real threat to national interests and economic security of the country.

3. The emergency state budget is developed by the central authorized body for budget planning and approved by the Decree of the President of the Republic of Kazakhstan in

accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 80, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 81. Development of the project of the emergency state budget

1. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication).

2. With the imposition of the state of emergency or martial Law by the President of the Republic of Kazakhstan, the relevant state bodies shall submit the budget requests for financing the activities, carried out during the period of the state of emergency or martial Law to the central authorized body for budget planning.

3. The central authorized body for budget planning shall develop the list and amount of budget programs for funding the activities of the state of emergency or martial Law, and submit them to the Republican Budget Commission.

4. After the approval of the lists and amounts of budget programs specified in paragraph 3 of this Article by the Republican Budget Commission, the central authorized body for budget planning shall develop the project of the decree of the President of the Republic of Kazakhstan on the emergency state budget. The project of the decree of the President of the Republic of Kazakhstan on the emergency state budget shall include:

1) the emergency state budget, which is developed according to the structure established by this Code;

2) the indicators of the republican and local budgets that are included in the emergency state budget, and adjusted taking into account the need to finance the activities of emergency or martial Law.

5. The draft decree of the President of the Republic of Kazakhstan on the emergency state budget shall be introduced by the Government of the Republic of Kazakhstan to the approval of the President of the Republic of Kazakhstan under the legislation of the Republic of Kazakhstan , unless otherwise provided by the decree of the President of the Republic of Kazakhstan on the state of emergency or martial Law.

Footnote. Article 81, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

SECTION 4. IMPLEMENTATION OF THE BUDGET Chapter 15. GENERAL PROVISIONS ON THE IMPLEMENTATION OF THE BUDGET

Article 82. General provisions on the implementation of the budget

1. Implementation of the budget is a range of measures to ensure the revenues to the budget, implementation of the budget programs (subprograms), financing the budget deficit (the use of surplus).

2. Implementation of the republican budget is provided by the Government of the Republic of Kazakhstan.

3. Implementation of the local budgets is provided by local executive bodies.

4. The central authorized body for the implementation of the budget shall provide the development and implementation of the state policy in the field of implementation of the budget , and develop, approve within its competence, the regulatory legal acts concerning the

implementation of the republican and local budgets, provide the methodological guidance in the field of implementation of the republican and local budgets, accounting and budgetary accounting, financial and budgetary reporting.

5. Implementation of the budget begins on January 1 and ends on December 31 of the current fiscal year.

6. Implementation of the budget is carried out within the scope of the budget for the financial year, approved by the Law on the republican budget or the decision of maslikhat on the local budget.

Using of the budget funds for the current fiscal year, provided in the second and (or) the third fiscal years of the planning period, is not allowed in the implementation of the budget.

7. Organization of the budget implementation and coordination of the activities of administrators of budget programs for the implementation of the budget is imposed to the relevant authorized body for the implementation of the budget.

8. The procedures for the budget implementation and their cash management services are defined by the Government of the Republic of Kazakhstan.

Article 83. Implementation of the budget with the specification of some Laws of the Republic of Kazakhstan

The provisions of this Code, governing the implementation of the budget, are used with the specifications established by the legislative acts of the Republic of Kazakhstan, regulating the questions of state secrets, the election of the President of the Republic of Kazakhstan, deputies of the Parliament of the Republic of Kazakhstan, Maslikhats, as well as members of local self-government in the Republic of Kazakhstan, the implementation of operational and investigative activity, maintenance of foreign policy, defense and national security of the country.

Footnote. Article 83 is in the wording of the Law of the Republic of Kazakhstan dated 13.06.2013 No. 101-V shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 16. THE PROCESS OF THE BUDGET IMPLEMENTATION

Article 84. The documents that are the basis for the implementation of budget

The basis for the implementation of the budget are:

1) this Code;

2) the Law on the republican budget and the decision of maslikhat on the local budget;

3) the decree on the republican financial plan and the decision of the local executive body on the local financial plan for the first quarter of the next financial year;

4) the decision of the Government of the Republic of Kazakhstan and local executive bodies on the implementation of the Law on the republican budget or the maslikhat solutions on the local budget;

5) the decision of the Government of the Republic of Kazakhstan and the local executive bodies, making in the course of the implementation of the republican and local budgets;

6) the strategic plans of the state bodies;

7) the agreement on the results for targeted transfers;

8) the summary plan for funding the obligations, the summary plan of revenues and financing the payments;

9) the plans for financing the obligations and charges of the administrators of budget programs;

10) the individual plans for financing the obligations and charges of the state institutions;

11) the regulatory legal acts, determining the order of implementation of the budget in accordance with this Code.

Footnote. Article 84, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 85. The summary plan for funding the obligations, the summary plan of revenues and financing the payments

1. Drafting, approval and maintenance of the summary plan for funding the obligations, the summary plan of revenues and financing the payments on the republican and local budgets are carried out by the central and local authorized body for the implementation of the budget.

2. The summary plan for financing the obligations is drawn up by the functional groups, administrators of the budget programs and the budget programs of the functional classification of budget expenditures on the basis of the plans for financing the obligations of the administrators of the budget programs that define the monthly volume of obligations in terms of money within the designated annual amount of budget funds, received by the administrators of the budget programs and by their dependent state institutions.

3. The summary plan of revenues and financing the payments is a document defining a monthly balanced plan of revenues to the budget and financing the budget programs for the payments.

The summary plan of revenues and financing the payments must be balanced, which means avoiding the excess of expenditure over revenues by months cumulative from the beginning of the year.

4. The summary plan of revenues and financing the payments consists of a summary plan of revenues to the budget, which is drawn up on the categories, classes, subclasses, specific classification of the budget revenues and the summary plan of financing the payments, which is drawn up by the functional groups, administrators of the budget programs and the budget programs of the functional classification of the budget expenditures.

The summary plan of revenues to the budget is drawn up by the authorized body for the budget implementation for the full amount of grouping codes classification of budget revenues on the basis of the timing of income payments to the budget, in accordance with the legislative acts of the Republic of Kazakhstan, the dynamics of income payments to the budget for the previous years, the results of the analysis of the dynamics yields on government securities and the level of supply and demand in the securities market, the terms of the credit agreements, loan agreements, and the agreements on the tied grants.

The summary plan for financing the payments is drawn up on the basis of the plans for financing the payments of the administrators of the budget programs, defining the monthly amount of budget funds, within the annual amount of budget funds designed to them, needed to the administrator of the budget programs and its subordinate state bodies to make the payments in fulfillment of the commitments.

The annual amounts of the summary plan for funding the obligations, the summary plan of revenues and financing the payments must comply with the amounts of revenues and expenses of the approved (adjusted) budget.

5. Individual plans for financing the obligations and charges of the state institutions are developed by the state bodies on the functional and economic classification of budget expenditures and transmitted to the administrators of budget programs for the approval and development of plans for financing the obligations and charges of the administrators of budget programs.

6. The total amount of expenditure on individual plans of financing the obligations and charges shall comply with the summary plan of financing the obligations and charges.

7. The plans for financing the obligations and charges of the administrators of budget programs are developed by the administrators of budget programs by the functional and economic classifications of expenditure and transmitted to the central or local authorized body for the implementation of the budget at the level of the budget programs.

The administrator of budget programs provides the distribution of the scheduled appointments for months in order to ensure the timely implementation of the operational plan.

8. The summary plan for financing the obligations, the summary plan of revenues and financing the payments, the plans for financing the obligations and charges of the administrators of budget programs, the individual plans for financing the obligations and charges of the state institutions are developed and approved for the first year of the planning period.

9. The administrators of budget programs shall make independently changes to the plans for financing the obligations and charges related to the specifics of economic classification of expenditure and the subprograms of the budget programs and the not changing annual and monthly amounts of expenditures under the budget program.

The changes of the monthly amount of expenditures under the budget program, needed to administrators of budget programs shall be implemented by the authorized body for the implementation of the budget.

In the case of the budget savings in the implementation of the budget:

the administrators of the budget program may make redistribution of the funds between the republican budget investment projects within a budget program with a mandatory consideration in due course in the Republican Budget Commission;

the local executive bodies may make redistribution between the local budget investment projects, and in consultation with the administrators of the republican budget programs between the local budget investment projects, financed by the targeted transfers from the higher budget for the development, within the framework of a budget program and within the same region with the mandatory consideration in the prescribed manner in the appropriate budget commission.

The changes to the individual plans for financing the obligations and charges of the state institutions are made by the administrator of budget programs at the request of the state bodies.

10. The procedures for making and maintaining the summary plan for financing the obligations, the summary plan of revenues and financing the payments, the plans for financing the obligations and charges of the administrators of budget programs, the individual plans for financing the obligations and charges of the state institutions are established by the Government of the Republic of Kazakhstan.

Footnote. Article 85, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 27.04.2012 No. 15-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication).

Chapter 17. SERVICE ACCOUNTS OF THE CASH EXECUTION OF THE BUDGET

Article 86. Single treasury account

1. The single treasury account is opened in the National Bank of the Republic of Kazakhstan in the national currency for the centralized transfer operations and their accounting.

The single treasury account is opened to the central authorized body for budget execution in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

2. The single treasury account includes the balances of money of cash control accounts.

Article 87. The accounts of the authorized body for budget execution in foreign currency

For transactions in foreign currencies and conducting their accounting the accounts for different types of foreign currencies are opened to the central authorized body for budget execution by the National Bank of the Republic of Kazakhstan, in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

Article 88. The cash control accounts

1. The cash control accounts are designed to the accounting operations, involving:

1) the crediting of revenues to the republican and local budgets and carrying out the expenditures of the republican and local budgets;

2) the crediting of money from the sale of goods (works, services) by the state institutions and holding the costs at the expense of the them (free-based services);

3) the crediting of revenues, directed to the National Fund of the Republic of Kazakhstan , and their transfer to the accounts of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan;

4) the crediting and spending of money from sponsorship, charity assistance for the state institutions that they receive in accordance with the legislative acts of the Republic of Kazakhstan (the accounts of the sponsorship, charity care);

5) the crediting of money, transferred to the state institution in accordance with the legislative acts of the Republic of Kazakhstan by individuals and (or) legal entities under their repayment or transfer upon the occurrence of certain conditions to the appropriate budget or to third parties (the account for the temporary placement of funds);

6) the crediting of the budget funds and using them to carry out the specific expenses (the account of special-purpose financing);

7) the crediting of money, allocated for the financial year in the Law on the republican budget, or in the decision of maslikhat on the local budget, to increase the authorized capital of a quasi-public sector and their use in the implementation of investment projects (hereinafter - the quasi-public sector entities account), except in cases of increase of the authorized capital of financial institutions, as well as in the formation of the authorized capital of a quasi-public sector in a minimum amount, set by the Laws of the Republic of Kazakhstan.

8) the crediting of income, provided by the legislation of the Republic of Kazakhstan on the local government and self-government, and accounting of the expenses, directed by akims of the city of regional significance, village, township, rural district to implement the functions of the local government (cash control account of the local government);

9) the crediting and spending of money of the governmental external loans or the tied grants, reconverted in the national currency from the special account of the external loan or tied grant, opened in the central authorized body for budget execution in accordance with the international treaties on state loans, ratified by the Republic of Kazakhstan, or the contracts on tied grants (hereinafter – the account of reconversion of external loan or tied grant).

2. The operations for revenues and payments and transfer of moneyfrom the cash control accounts of the respective budgets of the National Fund of the Republic of Kazakhstan, from the sale of goods (works, services) by the state institutions are recorded in accordance with the unified budget classification and the codes of the state institutions.

The operations for revenues and payments carried out by the cash controlling accounts of the sponsorship, charity care, temporary placement of money, targeted financing and the accounts in foreign currencies are recorded in accordance with the codes of the state institutions.

Transfer of money from one state institution code to the code of other state institutions is not allowed.

3. The cash control accounts are opened by the central authorized body for budget execution.

4. The procedure for opening, maintaining and closing the cash control accounts are established by the Government of the Republic of Kazakhstan.

Footnote. Article 88, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No.101-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 89. Accounts of the state institutions

1. The state institutions may have the following accounts:

1) the foreign currency account, opened to the state institution by forms of currency by the central authorized body for the budget execution to carry out its operations in a foreign currency;

2) the special account of the budget investment project, opened in a foreign currency and agreed in an international treaty on the government loans, ratified by the Republic of Kazakhstan, or on tied grants in the second-tier bank, renewed through a revolving advances of the government foreign loan or tied grant;

3) the account to the special account of the budget investment project, opened in second-tier bank, to make payments in the national (foreign) currency;

4) the renewable account of the budget investment project, opened in second-tier bank in the period of implementation of the budget investment project, for entering and using the money , which coming back by the borrowers for repayment of the principal on the loan, issued at the expense of the government external debt.

2. Opening, maintenance and closing of the accounts of the state institutions in the central authorized body for the budget execution are carried outin the manner established by the Government of the Republic of Kazakhstan.

Opening, maintenance and closing of the accounts of the state institutions in the second-tier banks or organizations engaged in certain types of banking transactions, are carried out in the manner prescribed by the banking legislation of the Republic of Kazakhstan.

Footnote. Article 89, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 18. THE IMPLEMENTATION OF THE BUDGET

Article 90. The implementation of the budget by revenues

1. The implementation of the budget by revenues is to conduct a set of measures to ensure the full and timely transfer of revenue by the central and local authorized bodies for the budget execution in accordance with the legislation of the Republic of Kazakhstan.

2. The implementation of the budget by revenues shall include:

1) the crediting of revenues to the single treasury account;

2) the distribution of revenues between the republican and local budgets and the National

Fund of the Republic of Kazakhstan;

3) the return from the budget the overly (wrongly) paid amounts of revenues or their credit for repayment of debt.

Article 91. Enrollment of revenues to the single treasury account

1. Budget revenues are made in cash and credited in full to the single treasury account in accordance with the classification of revenues to the budget in the manner prescribed by the Government of the Republic of Kazakhstan.

2. Budget revenues in foreign currency, credited by the National Bank of the Republic of Kazakhstan on the accounts of the central authorized body for budget execution in a foreign currency shall be reconverted and credited to the single treasury account.

The order for re-conversion of foreign currency from the accounts of the central authorized body for the budget execution is established by the Government of the Republic of Kazakhstan.

Footnote. Article 91, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 92. The distribution of revenues between the republican and local budgets and the National Fund of the Republic of Kazakhstan

1. The distribution of revenues between the republican and local budgets and the National Fund of the Republic of Kazakhstan is carried out every day by the central authorized body for the budget execution in accordance with this Code.

2. The distribution of revenues are carried out on the basis of the table of the budget revenue distribution between the budget levels, approved by the central authorized body for budget planning and the cash control account of the National Fund of the Republic of Kazakhstan , the standards of the revenue distribution between the regional budget and its district (the cities regional importance) budgets, are set by the decision of the regional maslikhat and by the list of the organizations of the oil sector.

Footnote. Article 92, as amended by the Law of the Republic of Kazakhstan dated 23.11.2012 No. 55-V (shall be enforced from the date of its first official publication), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 93. Involvement of the guaranteed transfer of the National Fund of the Republic of Kazakhstan

The central authorized body for the budget execution in the order determined by the Government of the Republic of Kazakhstan and agreed to the National Bank of Kazakhstan:

1) based on the forecast for revenues to the republican budget and the budget surpluses on the cash control account of the republican budget shall determine the required amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget in the framework of its amount for the current fiscal year, approved by the Law on the republican budget;

2) shall submit the application to the National Bank of the Republic of Kazakhstan on the transfer of the guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget.

Article 94. The return from the budget overly (wrongly) paid amounts of revenues or their credit for repayment of debt

1. The return from the budget and (or) credit the overly (wrongly)paid amounts of revenues by the classification codes of revenues to the unified budget classification are carried out by the central authorized body for the budget execution.

The return from the budget, and (or) credit the overly (wrongly) paid amounts of revenues are made on the basis of the payment orders of the tax authorities, provided:

1) on the basis of the conclusions of the tax authorities to the list of taxes and other obligatory payments to the budget, established by the Tax Code of the Republic of Kazakhstan, and non-tax revenues within the competence established by the regulatory legal acts;

2) on the basis of the conclusion of the authorized bodies responsible for the collection of non-tax revenues to the budget, except for those revenues administered by the tax authorities, from the sale of fixed assets, transfers, repayments of budget loans, from the sale of the state assets, loans.

2. The authorized body, responsible for the collection of revenues to the budget, shall ensure the completeness and timeliness of the revenues administered by them, and monitor their revenue, returning of the overly (wrongly) paid amounts of revenues or crediting the repayment of debt to the budget.

The reliability of the given conclusions and validity of their presentation is ensured by the heads of the authorized bodies.

3. The list of the authorized bodies, responsible for the collection of revenues to the republican budget, the returning from the budget and (or) crediting the overly (wrongly) paid amounts and exercising the control over the revenues to the budget of non-tax revenues, the revenues from sales of fixed assets, transfers, repayments of budget loan, from the sale of the state assets, loans, is determined by the Government of the Republic of Kazakhstan.

The list of the authorized bodies, responsible for the collection of revenues to the local budget, for returning from the budget, and (or) crediting the overly (wrongly)paid amounts and exercising the control over the revenues to the budget of non-tax revenues, revenues from sales of fixed assets, transfers, repayments of budget loans, from the sale of the state assets, loans, is determined by the local executive body of the region, the city of republican importance, the capital, and the district (the city of regional importance).

4. Payment orders are submitted in the form prescribed by the banking legislation of the Republic of Kazakhstan.

The conclusions are presented in the form, prescribed by the Government of the Republic of Kazakhstan.

5. The return from the budget and (or) credit of the overly (wrongly) paid amounts of revenues shall be carried out in the procedure, established by the Government of the Republic of Kazakhstan.

Footnote. Article 94, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 95. The implementation of the budget by expenditure

1. The implementation of the budget by expenditure is to use by the actual administrators of budget programs and their dependent state institutions the budget designed to them, in accordance with the requirements of this Code, the provisions of the relevant regulatory legal acts and in order to achieve the desired performance indicators of the state bodies.

2. The implementation of the budget by expenditure shall include the write-off of funds from a single treasury account as a result of payments and transfers of the state institutions in accordance with the registered the civil transactions and other obligations.

3. In the implementation of the budget the state institutions are obliged to use the

budget funds in accordance with the unified budget classification, concluded the civil transactions, and the regulatory legal acts under which the budget funds are allocated.

Article 96. The obligations of the state institutions

1. The state bodies shall make obligations to the specificities of economic classification of expenditure as the conclusion of the civil transactions, and without them.

The state body shall ensure the validity of making obligations, the reliability of information and details indicated in the civil transactions.

Note of the RCLI!

The paragraph shall be enforced from 01.07.2011.

The state institution does not accept the liability for budget investment projects, included in the list specified in subparagraph 2-1) of the second part of paragraph 2 of Article 79 of this Code, prior to the presentation of the documents to the central authorized body for budget planning in accordance with paragraph 2 of Article 154 of this Code within six months from the date of the positive proposals of the Republican Budget Commission.

2. The conclusion of civil transactions by the state institution for the purchase of goods (works, services), which are the subject of public procurement, is carried out in accordance with the legislation of the Republic of Kazakhstan on public procurement.

The conclusion of civil transactions by the state institution for the purchase of goods (works, services) without the application of the norms of legislation of the Republic of Kazakhstan on public procurement is carried out in accordance with the Civil Code of the Republic of Kazakhstan.

3. The state institution shall ensure the compliance with the legislation of the Republic of Kazakhstan on public procurement, the civil legislation of the Republic of Kazakhstan and shall be responsible for non-compliance.

4. The civil transactions of the state institutions are concluded by the state institutions for a period not exceeding the period established by the legislation of the Republic of Kazakhstan on public procurement.

The civil transactions of the state institutions in the framework of the international treaty on the state loans, or on the tied grants, ratified by the Republic of Kazakhstan are concluded by the state institutions for a period not exceeding the term of the international treaty on the state loans, or on the tied grant, ratified by the Republic of Kazakhstan.

5. The civil transactions of the state institutions shall be enforced after their mandatory registration in the territorial units of the central authorized body for budget execution.

The civil transactions, during their validity must be registered within the amounts, approved by the individual plan for funding the obligations for the relevant fiscal year, and the base expenses of the budget of the second and third fiscal years of the planning period, related to:

1) the budget development programs with the implementation period exceeding one year;

2) the current budget programs that provide the acquisition of assets and other items, the duration of manufacturing process of which causes them to supply in the following (next) fiscal year (fiscal years);

3) the provision of services with a term of more than one fiscal year in the cases, established by the legislation of the Republic of Kazakhstan on public procurement;

4) the provision of services, carried out without the use of the norms of legislation of the Republic of Kazakhstan on public procurement, the completion time of which occurs in the next (next) fiscal year (fiscal years);

5) the implementation of measures at the expense of the reserve of the Government of the Republic of Kazakhstan, with a term of implementation more than one fiscal year.

The specified civil transactions shall be subject to re-registration in the case of changing the base expenses of the budget.

The registration of civil transactions related to the construction or renovation of buildings, structures, roads, refurbishment of premises, buildings, structures, roads and other facilities is made in mandatory positive conclusion of the state expertise to the project (design and estimate) documentation, except for the objects by which the cost of production of the project (design and estimate) documentation included in the contract.

Note of the RCLI!

The paragraph shall be enforced from 01.07.2011.

The registration of the civil transactions on budget investment projects, included in the list specified in subparagraph 2-1) of the second part of paragraph 2 of Article 79 of this Code, is made after the submission of the documents to the central authorized body for budget planning in accordance with paragraph 2 of Article 154 of this Code within six months from the date of the positive proposals of the Republican Budget Commission.

Note of the RCLI!

The paragraph shall be enforced from 01.07.2011.

The state institution does not accept the liability for payment of shares or interests in the share capital of the legal entities, included in the list specified in subparagraph 2-1) of the second part of paragraph 2 of Article 79 of this Code, prior to the submission of the documents to the central authorized body for budget planning in accordance with paragraph 2 of Article 156 of this Code within six months from the date of the positive proposal of the Republican Budget Commission.

6. To register the civil transactions of the state institutions in a foreign currency the amount of the contract shall be in foreign currency, and the registration shall be made at the market exchange rate on the date of registration, established in accordance with the legislation of the Republic of Kazakhstan.

7. The document confirming the registration of civil transaction shall be the notice on the registration of the contract.

8. The registration of civil transactions after December 20 of the current fiscal year is not permitted, except the allocation of budget funds from the reserve of the Government of the Republic of Kazakhstan and the local executive bodies, as well as the registration of additional agreements to the civil transactions, previously registered in the territorial division of the central authorized body for budget execution.

9. The procedure for registration of civil transactions of the state institutions is established by the Government of the Republic of Kazakhstan.

Footnote. Article 96, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 18.02.2011 No. 408-IV (shall be enforced upon expiry of ten calendar days after its first publication); dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 13.06.2013 No.102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 97. The making of payments and transfers of money in national currency

1. The payments of the state institutions for the obligations are carried out on the basis of accounts payable.

The payments of quasi-public sector entities, the funds of which are provided to increase (forming) of the authorized capitals, for the relevant financial year in the Law on the republican budget, or in the decision of maslikhat on the local budget are carried out on the basis of the payment, orders in the form, prescribed by the banking legislation of the Republic of Kazakhstan.

2. The account for payment of the state institutions and the payment order of the quasi-public sector entity, the funds are provided to increase (forming) the authorized capital for the relevant financial year or in the decision of maslikhat on the local budget, is the documents that are the basis for the payments and transfer of money in favor of the beneficiary for the territorial division of the central authorized body for budget execution.

3. The payments and money transfers of the state institutions are carried out within the balances on the cash control accounts or accounts of the state institutions, as well as within the amounts of the scheduled appointments in accordance with the individual plan of financing for payments and unused balance, the notice of registration of the contract.

Transfer of funds by the administrator of budget programs to the quasi-public sector entities is carried out on the basis of documents, confirming the validity of the payment in accordance with the financial and economic feasibility or the feasibility study (design and estimate documentation), as well as other type of document, provided by the legislation of the Republic of Kazakhstan.

The payments and transfers of money of quasi-public sector entities, the funds are provided to increase (forming) the authorized capital of which for the relevant financial year in the Law on the republican budget, or in the decision of maslikhat on the local budget, are made within the balances on the accounts of quasi-public sector entities.

4. The payments and transfers of money are not allowed without the registered civil transaction on the specifics of the economic classification of expenditure, for which the registration of the civil-Law is mandatory.

The list of specifics economic classification of expenditures, including the types of expenditure for which the registration of the civil transactions is mandatory, is determined by the central authorized body for budget execution.

5. The territorial division of the central authorized body for budget execution maintains the control when making payments, which is to verify the accounts payable for compliance to:

the individual plan of financing for payments;

the registered civil Law transactions;

the unified budget classification;

the requirements of the budget legislation of the Republic of Kazakhstan in the completeness and correctness of form filling.

In carrying out payment, except the amount of the advance payment by the registered civil Law transaction, the territorial division of the central authorized body for budget execution checks the copy of the invoice or delivery note (act) for the supply of goods or the act of the work performed or services rendered, or other type of document, established by the legislation of the Republic of Kazakhstan.

The costs associated with the construction or the reconstruction of buildings, structures , roads, refurbishment of premises, buildings, structures, roads and other facilities for which the manufacturing cost of the project (design and estimate) documentation included in the agreement, the territorial division of the central authorized body for budget execution additionally checks for the positive conclusion of the state expertise to the project (design and estimate) documentation during the payment, following the advance payment.

5-1. The territorial division of the central authorized body for budget execution monitors when the quasi-public sector entities make the payments, which is to verify the payment orders to:

1) the availability of documents confirming the validity of payment: the copy of the invoice or delivery note (act) for the supply of goods or the act of the work performed or services rendered, or other type of document, established by the legislation of the Republic of Kazakhstan;

2) the availability of the certificate of the authorized body responsible for the regulation and supervision of the securities markets or the relevant decisions of the management in case of transfer of money to increase the authorized capital of the subject of quasi-public sector;

3) the compliance with the requirements of the banking legislation of the Republic of Kazakhstan in the completeness and correctness of form filling.

6. The state institution shall provide:

the legitimacy and validity of the accounts payable;

the authenticity of the details in the accounts payable;

the timeliness and completeness of the obligations to make payments in favor of the beneficiary;

the authenticity of the confirmation of delivery of goods, works performed and (or) services rendered, in accordance with the concluded civil-Law transactions;

the representation of the documents, specified in paragraph 5 of this Article, confirming the validity of the payment by the registered civil transaction to the territorial division of the central authorized body for the budget execution.

6-1. The subject of quasi-public sector shall provide:

1) the correctness and validity of the submission of payment orders;

2) the authenticity of the details of the payment orders;

3) the timeliness and completeness of the obligations to make payments in favor of the beneficiary;

4) the accuracy of the transactions;

5) the presentation of the documents confirming the validity of the payment to the territorial division of the central authorized body for the budget execution.

7. The amount of accounts receivable of the state institution of previous years shall be repaid through the delivery of goods (works, services), under the terms of a civil-Law transaction, or returned to the income of the corresponding budget.

8. The methods of making payments and transfers of money are determined by the legislation of the Republic of Kazakhstan on payments and money transfers, for budget execution , or international treaties, ratified by the Republic of Kazakhstan.

9. The order of payments and transfers of money is determined by the Government of the Republic of Kazakhstan.

Footnote. Article 97, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 98. Collection order

1. The collection order is a document that is the basis for the enforcement of the writ of execution or the order, issued under the decisions, definitions, resolutions, decrees, taking into legal effect and related to the repayment of tax debts, arrears of pension contributions and social contributions, the debt to the customs authorities, by the state institution and the entity of quasi-public sector, to increase in (forming) the authorized capital, the funds of which for the corresponding financial year are provided in the Law on the republican budget or in the decision of maslikhat on the local budget.

The collection order is a document that confirms the validity of the payment of the state institution and the entity of quasi-public sector to increase (forming) the authorized capital of which the funds for the corresponding financial year are provided in the Law on the republican budget, or in the decision of maslikhat on the local budget.

The collection order is made on the basis of the writ of execution or the order, issued by the decision (judgment, decision) of the court, or the court order for the recovery of money on the other grounds, stipulated by the Laws of the Republic of Kazakhstan, except for the collection orders of the tax authorities and customs authorities.

2. The collection order shall be presented to the territorial division of the central authorized body for budget execution at the place of service of the state institution and the quasi-public sector entity, to increase in (forming) the authorized capital of which the funds for the financial year are provided in the Law on the republican budget, or in the decision of maslikhat on the local budget, on which a collection order is exhibited.

The collection order shall be presented with the original of the writ of execution or the order that is the basis for its preparation or a copy of the document, certified by page impression of official stamp of the court, except for the collection orders of tax authorities

and customs authorities.
The amount shown in the collection order must be equal to the amount specified in the writ of execution or the order.
The code of the state institution and the code of the entity of quasi-public sector, to increase in (forming) the authorized capital of which the funds for the financial year are provided in the Law on the republican budget, or in the decision of maslikhat on local budgets, are specified in the collection order for which the execution of this order are required.
3. The submission of the collection orders on a single treasury account and account sin a foreign currency, opened to the central authorized body for budget execution, the control cash accounts of the respective budgets, the National Fund of the Republic of Kazakhstan and the temporary placement of money are not allowed.
In the event of an obligation to exercise the collection order for the investment project , this collection order is exposed on the account of the entity of quasi-public sector, by which the financing of the investment project is made.
The submission of the collection orders can be carried out on the code of the state institutions, to the accounts of paid services and sponsorship, charity care, as well as to the accounts of the quasi-public sector entities, to increase (the formation of) the authorized capital of which the funds for the financial year are provided in the Law on the republican budget or in the decision of maslikhat on the local budget.
4. The collection order is presented in the form prescribed by the banking legislation of the Republic of Kazakhstan.
5. The execution of collection orders shall be according to the order established by the Government of the Republic of Kazakhstan.
Footnote. Article 98 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), as amended by the Law of the Republic of Kazakhstan dated 13.06.2013 No.101-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 99. The making of payments and transfers of money in foreign currency by types of currency

1. The payments and money transfers in foreign currency by types of currency are made by the state institutions in favor of non-residents of the Republic of Kazakhstan by conducting the operations on conversion and transfer of foreign currency.
The conversion of foreign currency by the types of currency is made on the market exchange rate, as defined in accordance with the legislation of the Republic of Kazakhstan on the date of the conversion.
2. The converted foreign currency within ten calendar days from the date of its enrollment to an account in a foreign currency by the types of currency shall be used for its intended purpose by the state institution.
The unused or underused foreign currency must be reconverted after a specified period, with the following reduction in the amount of national currency to the budget classification code of expenditure of the state institution, from which the conversion of foreign currency is made.
2-1. Money in national currency, reconverted from the special account of the external loan or tied grant, opened in the central authorized body for budget execution, at the expense of reconversion of external loan or tied grant must be used by the state institution as intended within five working days.
Money in foreign currency, reconverted from the special account of external loan or tied

grant, opened in the central authorized body for budget execution, to the account to the special account of external loan or tied grant must be used by the state institution as intended within five working days.

Unused or underused money in national or foreign currency must be converted at the end of this period, followed by reduction of the amount in foreign currency to the special account of external loan or tied grant, where money was reconverted to national or foreign currency.

3. The state institution shall ensure the accuracy of the details in the execution of operations for the conversion, re-conversion and the reasonableness of payments and transfers of money in foreign currency.

3-1. Foreign currency, which is converted from the account of the entity of quasi-public sector, within ten calendar days from the date of its enrollment to its account in a foreign currency in the second-tier bank by types of currency, shall be used for its intended purpose.

The unused or underused foreign currency must be reconverted after a specified period with the following reduction of the amount in the national currency to the account of the entity of quasi-public sector, from which the conversion of foreign currency is made.

3-2. The entities of the quasi-public sector, to increase (forming) in the authorized capital of which the funds for the corresponding financial year are provided in the Law on the republican budget, or in the decision of maslikhat on the local budget, shall provide the timely re-conversion and the return of unused or underused foreign currency to the account from which the conversion of foreign currency is made.

4. The order of payments and transfers of money in foreign currency shall be determined by the Government of the Republic of Kazakhstan.

Footnote. Article 99, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 100. The suspension of the registration of civil transactions and making payments and transfers of money

1. The territorial division of the central authorized body for budget execution suspends the acceptance of documents of state institutions for the registration of civil transactions and making payments and transfers of money in the manner and within the timeframe, set by the Government of the Republic of Kazakhstan, in the following cases:

1) the changes in the individual financing plans for liabilities and charges;

2) on issuing the collection orders;

3) if the state institution did not carry out the procedure for re-conversion of the balance of unused or under used for the intended purpose converted foreign currency, on the next working day from the date of expiry of use of the converted foreign currency;

4) if the local executive body did not return the budget credit to a higher budget, allocating them, in the time, specified by the terms of the loan agreement;

5) sequestration.

2. The suspension of operations for the registration of civil transactions and making payments of the state institutions, is carried out in the case provided by:

1) subparagraph 1) of paragraph 1 of this Article - to complete the procedures for changes to the individual financial plans for liabilities and charges on the codes of budget classification of expenditure, for which the changes are made;

2) subparagraph 2) of paragraph 1 of this Article - before the execution of collection orders on the codes of budget classification of expenditure, for which these orders are displayed, with the exception of the types of expenses, under which the payment of wages and other monetary benefits, and the payment of financial compensation, provided by the legislative acts of the Republic of Kazakhstan, benefits, child support, transfer of tax and social security contributions, mandatory pension contributions, bank charges are made;

3) subparagraph 3) of paragraph 1 of this Article - to complete the procedure for re-conversion of the balance of unused or under used for the intended purpose the converted foreign currency;

4) subparagraph 4) of paragraph 1 of this Article - to the submission of the accounts payable to refund of debt of the budget credit to a higher budget, which allocated them, by the relevant administrator of the local budget programs.

The suspension of the operation for the registration of civil transactions and making payments is made under the budget program, that ensures the activities of the unit of the relevant administrator of the local budget programs, except for the types of expenses, under which the payment of wages and other monetary benefits, the payment of financial compensation, provided by the legislative acts of the Republic of Kazakhstan, benefits, child support, transfer of tax and social security contributions, mandatory pension contributions, bank charges are made;

5) subparagraph 5) of paragraph 1 of this Article, - from the next working day from the date of the offer of the appropriate budget commission to reduce the budget funds for the budget programs for which the sequestration is planned, before the completion of the procedure for the changes to the individual financial plans for liabilities and charges on the codes of budget classification of expenditure, for which the changes are made.

Footnote. Article 100, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 100-1. The suspension of making payments and transfers of money of the quasi-public sector entities

In cases of submission of the collection order, the territorial division of the central authorized body for budget execution suspends the receiving of documents and making payments and transfers of money of the quasi-public sector entities, in the manner and within the timeframe set by the Government of the Republic of Kazakhstan.

Footnote. Chapter 18 is supplemented by Article 100-1 in accordance with the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 101. Management of budget funds

1. Management of the budget funds is a set of measures to ensure the timeliness of payments in accordance with the terms of revenues to the budget.

2. Management of the budget funds is carried out by the authorized body for budget execution.

3. The authorized body for budget execution shall take the necessary measures to ensure by the cash payments to the extent, provided in the summary plan of revenues and financing payments.

4. In order to ensure the timeliness and completeness of the payments, the authorized body for budget execution:

makes forecast of cash flow, which is the process to determine the expected volumes of revenues and expenses for the planned implementation period, the surplus (or deficit) of cash and the sources of its coverage;

monitors the movement of money in the cash controlling account of the relevant budget.

5. The cash surplus is the excess of the amount of the expected or actual revenues to the republican and local budgets and the budget surpluses over the volume of expected payments or payments made since the beginning of the current fiscal year.

The cash deficit is the excess of the amounts of the expected payments or payments made over the volume of the expected or actual revenues to the republican and local budgets and the budget surpluses since the beginning of the current fiscal year.

6. The cover of the cash deficit in the case of the forecast of cash deficit in the cash controlling account of the relevant budget shall be made at the expense of borrowing or by making changes to the summary plan of revenues and financing payments.

7. In the case of the forecast of cash surplus in the cash controlling account of the relevant budget, the authorized body for budget execution shall determine the amount of temporarily free budget funds.

The temporarily free budget funds are the money, which is held in the single treasury account, and not used for a certain time period of the current fiscal year.

To make the optimal use of temporarily free budget funds and revenues to the corresponding budget, the temporarily free budget funds of the republican and regional budgets, the budgets of the city of republican significance and the capital are placed in deposits (deposits) at the National Bank of the Republic of Kazakhstan.

The placement of budget money in bank accounts is not permitted, except as provided in this Article of the Code.

8. The placement of temporarily free budget funds of the republican and local budgets shall be made by the central authorized body for budget execution.

9. The order of placement of temporarily free budget funds is determined by the Government of the Republic of Kazakhstan in consultation with the National Bank of the Republic of Kazakhstan.

Article 102. Execution of the money from the sale by the state institutions of goods (works, services), remaining at their disposal

1. To perform the operations at the expense of the money from the sale by the state institution of goods (works, services) remaining at its disposal, the state institution shall make the plan of income and expenditure of money from the sale of goods (works, services) by their types on the basis of the nomenclature of the list of goods (works, services) of the state institutions, financed by the republican or local budget, the money from the sale of which remains at their disposal, approved by the central authorized body for budget execution.

2. The plan of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining in its possession, is approved by the administrator of the budget programs.

3. The administrator of the budget programs on the basis of the plans of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining at its disposal, presented by the state institutions, shall make a consolidated plan of income and expenditure of money from the sale of goods (works, services), by the state institutions, remaining in their disposal.

The consolidated plan of income and expenditure of money from the sale of goods (works, services), by the state institutions, remaining at their disposal, is approved by the administrator of the budget programs and agreed with the authorized body for budget execution.

4. The approved plan of income and expenditure of money from the sale of goods (works, services) by the state institution, remaining in its possession, shall be presented to the authorized body for budget execution by the state institution.

The action of the approved plan of income and expenditure of money from the sale of goods (works, services) by the state institutions, remaining in its possession shall cease on December 31 of the current fiscal year.

5. The revenues, received during the fiscal year in excess of the amounts provided by the plan of income and expenditure of money from the sale of goods (works, services) by the state institution, remaining at its disposal, can be spent in the current financial year, providing the clarification of the plan of income and expenditure of money from the sale of goods (works,

services) to the end of the current fiscal year.

6. Purchases of goods (works, services) at the expense of the money from the sale of goods (works, services) by the state institutions, remaining at their disposal, shall be in accordance with the legislation of the Republic of Kazakhstan on public procurement.

7. The registration of civil transactions at the expense of money from the sale of goods (works, services) by the state institution, remaining at its disposal, is carried out in accordance with Article 96 of this Code.

8. The payments at the expense of money from the sale of goods (works, services) by the state institution, remaining at its disposal, are carried out within the actual availability of funds in the account of the state institution, which is open to the accounting of money from the sale of goods (works, services).

9. The order of using the money from the sale of goods (works, services) by the state institutions, remaining at their disposal, is determined by the Government of the Republic of Kazakhstan.

Footnote. Article 102, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 102-1. Performance for the money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government

1.Plan of income and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government is formed annually for the use of funds from income, provided by the legislation of the Republic of Kazakhstan on the local government and self-government, by the akims of the city of regional importance, village, rural settlement, rural district.

2. Plan of income and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government shall be approved by the akim of the corresponding city of regional importance , village, rural settlement, rural district after its agreement with the local community meeting.

Effect of the approved plan of income and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government, shall be terminated on 31 December of the current financial year.

3. Revenues, received during the financial year in excess of amounts, provided by the plan of income and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government may be spent in the current financial year, subject to clarification and agreement of the plan of income and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government with the local community meeting, to the end of the current financial year.

4. Payments by money from the income, provided by the legislation of the Republic of Kazakhstan on the local government and self-government, shall be exercised on the basis of payable accounts and made from balances within the controlling cash account of local government .

5. Akims of the city of regional importance, village, rural settlement, rural district, by decision of the local community, shall have the right to purchase goods (works, services) for state institutions, municipal state-owned enterprises in the territory of the city of regional importance, village, rural settlement, rural district at the expense of local government goods to address the local issues.

6. Balances of income, provided by the legislation of the Republic of Kazakhstan on the local government and self-government, remaining in the controlling cash account of local

government unused at the end of the financial year may be used to finance the expenses of the current year through the clarification and agreement of the plan income and expenditure with the local community meeting.

Clarification of the plan of income and expenditure of money may be made as needed during the current financial year.

7. The order of receipts and expenditure of money, aimed at implementation by the akims of the city of regional importance, village, rural settlement, rural district of the functions of local government shall be established by the Government of the Republic of Kazakhstan.

Footnote. Chapter 18 is supplemented by Article 102-1 in accordance with the Law of the Republic of Kazakhstan dated 13.06.2013 No. 101-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 103. The completion of the financial year

1. All operations of the current financial year, related to the crediting of revenues and making payments from the budget, will end on 31 December of the current financial year.

2. The revenues credited to the budget after December 31 of the current financial year, are considered as revenues of the new financial year.

3. Not used until the end of December 31 of the current fiscal year, including the remains of scheduled appointments, are canceled.

4. The transfer of budget funds for the budget programs, formed on December 31 of the current financial year to the letters of credit and other extra budget accounts, is not allowed .

Article 104. Budgetary surpluses

1. The budget surpluses at the end of the period are the funds, remaining not used at the end of the reporting period.

2. The budget surpluses at the beginning of the year are the funds, remaining not used by the results of the budget execution for the reporting financial year, as of January 1 of the next financial year.

3. The budget surpluses of local budgets are not subject to withdrawal (transfer) to a higher budget.

4. The budget surpluses at the beginning of the year can be used by adjusting the budget to:

1) servicing and repayment of principal on the received loans;

2) excluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010);

3) excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first publication);

4) financing the unpaid part of the recorded obligations of the last financial year for the budget development programs with a term of more than one year of implementation and the current budget programs that provide the acquisition of assets, and other products with a manufacturing and supply term more than one financial year, the provision of services with a term for more than one financial year;

5) refund of the unused (underused) amounts of targeted transfer in the past financial year, allocated from the republican or regional budget for which the Government of the Republic of Kazakhstan or local executive body does not decide on the further use (use before) in the current financial year.

6) refund of the amount of the difference between the fixed and the paid sum according to the results of the financial year, by the local executive bodies of the separate directions of

expenditures, established by the law (decision of the regional maslikhat) on the amounts of transfers of a general nature.

5. The budget surpluses at the beginning of the year, remaining after the distribution for the purposes specified in paragraph 4 of this Article, shall be free budget surpluses, and can be used to finance the expenses of the current year by clarification of the budget.

6. The responsibility for the unused budget funds, which caused the failure to reach the results of the budget program, established by the Laws of the Republic of Kazakhstan, shall bear the first head of the administrator of budget programs.

6-1. The responsibility in accordance with the laws of the Republic of Kazakhstan for non-achievement of the budget program results with the full development of budget funds shall bear the first head of the administrator of budget programs.

Footnote. Article 104, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 105. The responsibility of quasi-public sector entities

The responsibility for the failure to reach the results of budget investments through the state participation in their authorized capital, provided in the financial and economic feasibility, established by the Laws of the Republic of Kazakhstan, shall bear the first leaders of quasi-public sector entities, to increase (forming) the authorized capital of which the funds for the financial year are provided in the Law on republican budget or in the decision of maslikhat on the local budget.

Footnote. Article 105 is in the wording of the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 19. CLARIFICATION OF THE BUDGET

Article 106. Clarification of the budget

1. The clarification of the republican and local budgets is a change in performance indicators of the republican and local budgets within the corresponding financial year through the introduction of amendments and supplements to the Law on the republican budget or the decision of maslikhat on the local budget.

2. The clarification of the republican and local budgets shall be in the following cases:

1) the need to eliminate the situations that threaten the political, economic, ecological and social stability of the Republic of Kazakhstan;

2) the adoption or amendment of the legislative acts of the Republic of Kazakhstan, providing the reduction in revenues or the increase in expenditures of the republican and local budgets;

3) the reduction of revenues of the republican and local budgets within its performance in excess of ten percent of their annual approved amount for the current financial year;

4) the allocation of additional amounts and changing the amounts of the allocated target transfers and budget loans from the higher budget;

5) provided in paragraph 4 of Article 10, paragraph 5 of Article 20 and paragraph 5 of Article 104 of this Code;

Note of the RCLI!

Subparagraph 6) shall be enforced from 01.07.2011.

6) the failure to submit the relevant documentation specified in Articles 154 and 156 of this Code, for the budget investments, aimed at the implementation of critical and demanding of operational implementation tasks that have positive suggestions of the Republican Budget Commission.

3. The clarification of local budgets is also allowed when making changes to the single budget classification.

4. The clarification of the local budget on the request of the local executive body is allowed no more than once per quarter during the current financial year.

5. On the basis of proposals of the respective budget commission on the amendments and supplements to the Law on the republican budget or the decision of maslikhat on the local budget, the authorized body for budget execution may suspend the operation of the budget programs, on which the decision to reduce the budget funds is adopted.

Footnote. Article 106, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2).

Article 107. Clarification of the republican budget

1. The clarification of the republican budget is based on the proposals of the Government of the Republic of Kazakhstan and (or) the deputies of the Parliament of the Republic of Kazakhstan in accordance with the legislative acts of the Republic of Kazakhstan.

2. The proposals to clarify the republican budget are considered by the Republican Budget Commission.

3. The requirements, established by this Code in the development and approval of the republican budget are complied with when clarifying the republican budget.

4. Taking into account the proposals of the Republican Budget Commission on the clarification of the republican budget for the current financial year, the administrators of republican budget programs within five working days present the proposals for new spending initiatives, directed to the implementation of the priorities of social and economic development, including the proposals on budget investments to make changes and additions to the list of priority budget investments, the project of the changes and additions to the strategic plan to the central authorized body for state planning, and the budget request for the budget programs, for which the changes are provided, to the central authorized body for budget planning.

4-1. The central authorized body for state planning within five working days after the presentation of the relevant documents specified in paragraph 4 of this Article by the administrators of the republican budget programs shall examine them, and prepare the opinions on them for submission to the central authorized body for budget planning.

5. Is excluded by the Law of the Republic of Kazakhstan dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

6. Taking into account the proposals of the Republican Budget Commission, the central authorized body for budget planning within five working days shall draft the clarified republican budget and submit it to review of the Republican Budget Commission.

7. The central authorized body for budget planning based on the proposal of the Republican Budget Commission on the draft of the clarified republican budget shall make the draft Law on amendments and supplements to the Law on the republican budget within ten working days and submit it to review of the Government of the Republic of Kazakhstan.

Footnote. Article 107, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013

No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 108. Clarification of the regional budget, the city of republican importance, capital

1. The clarification of the regional budget, the budgets of the city of republican significance and the capital during its execution shall be on the basis of proposals of the relevant local executive body and (or) the deputies of maslikhat in accordance with this Code.

2. The proposals for the clarification of the regional budget, the budgets of the city of republican significance and the capital are considered by the respective budget commission.

3. The requirements, established by this Code in the development and approval of the regional budget, the budgets of the city of republican significance and the capital are complied with, when clarification of the regional budget, the budgets of the city of republican significance and the capital.

4. In the case, when the clarification of the regional budgets, the budgets of the city of republican significance and the capital shall be in connection with the clarification of the republican budget, the respective decision of maslikhat shall be taken no later than two weeks after the signing of the resolution of the Government of the Republic of Kazakhstan on the amendments and supplements to the resolution of the Government of the Republic of Kazakhstan on the implementation of the Law on the republican budget.

Footnote. Article 108, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 109. Clarification of the district budget (the city of regional importance)

1. The clarification of the district budget (the city of regional importance) during its execution shall be on the basis of the proposals of the relevant local executive body and (or) the deputies of maslikhat in accordance with this Code.

2. The proposals to clarify the budget of the district (the city of regional importance) are considered by the respective budget commission.

3. The requirements, established by this Code in the development and approval of the budget of the district (the city of regional importance)are complied with in the clarification of the district budget (the city of regional importance).

4. The clarification of the district budget (the city of regional importance) on the revenues, distributed according to the budget legislation of the Republic of Kazakhstan between the regional budget and the budgets of districts (the cities of regional importance), shall be in consultation with the local authorized body for state planning.

5. In the case, when the clarification of the district budget (the city of regional importance) shall be in connection with the clarification of the regional budget, the respective decision of maslikhat shall be taken, no later than two weeks after the decision of the local executive body on the amendments and supplements to the decision of the local executive body for the implementation of the decision of maslikhat on the regional budget.

Footnote. Article 109, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Chapter 20. SEQESTRATION AND ADJUSTMENT OF THE BUDGET

Article 110. Sequestration

1. The sequestration is a special mechanism, involving the reduction of budget expenditures within a certain range, which is introduced in cases, when the approved funds are not completely arrived to the republican and local budgets in the execution of the republican and local budgets, and make it impossible to finance the full cost of the approved programs.

2. The sequestration of budget programs for the amount less than ten percent of their annual approved amount can be carried out by the resolution of the Government of the Republic of Kazakhstan and local executive body, and for the amount in excess of ten per cent - on the basis of the Law or the decision of maslikhat.

3. On the basis of the resolution of the Government of the Republic of Kazakhstan or the local executive body on the execution of sequestration, the authorized body for budget execution in accordance with this Code, shall clarify the respective budget.

4. With the reduction of the budget programs their priority and social orientation are considered.

5. With the decision of the respective budget commission on the sequestration, the authorized body for budget execution shall suspend the registration of civil transactions and making payments for the budget programs, for which the sequestration is planned.

6. The regulation of relations that occurred during the sequestration, under the civil transactions concluded at the expense of budget funds, shall be in accordance with the civil legislation of the Republic of Kazakhstan.

7. Expenditure of budget funds, aimed at the fulfillment of state concession obligations, shall not be sequestered during the execution of the budget.

Footnote. Article 110, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 111. Adjustment of the budget

1. The adjustment of the budget is the change of the indicators of the approved (clarified) budget, based on the resolutions of the Government of the Republic of Kazakhstan and local executive bodies, and other regulatory legal acts, through the introduction of changes and additions to the summary plan of revenues and financing the payments, the summary plan of funding the obligations for the next financial year.

In the event that, after the produced adjustment the clarification of the budget shall be , the adjusted budget indicators shall be reflected in the clarified budget, with the exception of the distributable budget programs.

2. The adjustment of the republican budget shall be in the following cases:

1) education, liquidation, reorganization, changes in the functions and limits of the staff number of the central state bodies and their subordinate state institutions. In this case , the adjustment of the budget is the merger, division, reduction (increase), transfer of the respective budget programs, associated with these cases within the total amount of these budget programs, approved (clarified) by the Law on the republican budget;

2) distribution of funds of the budget programs between the various administrators of budget programs, approved as part of the budget programs of the certain administrator of the budget programs;

3) provided in paragraph 3 of Article 24 of this Code;

4) provided in paragraph 4 of Article 104 of this Code;

5) provided in paragraph 3 of Article 110 of this Code;

5-1) provided for in paragraph 8 of Article 151 of this Code;

6) failure to submit the relevant documentation specified in Articles 154 and 156 of this Code, for budget investments, aimed at the implementation of critical and demanding of operational implementation tasks, that have positive suggestions of the Republican Budget Commission.

In this case, the amounts available for the implementation of these budget investments may be redistributed among other budget investment projects within the same budget program of the respective administrator of budget programs.

3. The adjustment of the local budget shall be in the following cases:

1) education, liquidation, reorganization, changes in the functions and limits of the staff number of executive bodies, financed from the local budget, and their subordinate state institutions. In this case, the adjustment of the budget is the merger, division, reduction (increase), transfer of the relevant budget programs, associated with these cases within the total amount of these budget programs, approved by the (clarified) by the decision of maslikhat on the local budget;

2) allocation of funds within the financial year from reserves of the Government of the Republic of Kazakhstan and local executive body of the region to the lower budget, and the allocation of funds within the financial year to the lower budget from the allocated budget program, provided in a higher budget;

2-1) provided in paragraph 3 of Article 42 of this Code;

3) the distribution of funds of the budget programs between the various administrators of budget programs, approved as part of the certain administrator of budget programs;

4) provided in paragraphs 4 and 5 of Article 44 of this Code;

5) provided in paragraph 4 of Article 104 of this Code;

6) provided in paragraph 3 of Article 110 of this Code.

Footnote. Article 111, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 21. BUDGET MONITORING AND EVALUATION OF THE RESULTS

Article 112. Budget monitoring

1. Budget monitoring is a regular and systematic collection, auditing and analysis of budget execution indicators, carried out in order to identify the reasons for late commitments, late payments on budget programs, forecasting performance of revenues and expenditures.

2. Budget monitoring is performed by the administrators of budget programs, the central and local authorized bodies for budget execution.

3. Budget monitoring is based on the budgetary reporting of the authorized bodies for budget execution and the information, provided by the administrators of budget programs.

4. The administrators of republican and local budget programs shall present the reports on the results of monitoring of the implementation of budget programs to the central and local authorized bodies for budget execution.

5. The central and local authorized bodies for budget execution according to the results of the budget monitoring shall sent the analytical report on the execution of the republican and local budgets to the Government of the Republic of Kazakhstan and local executive bodies quarterly and for the year, as well as monthly the information-notice about the missed obligations on the budget programs in accordance with the financing plan for the obligations and the late implementation of the financing plan for payments to the administrators of budget programs.

6. The results of the analytical report on the execution of the respective budget are taken into account when developing or clarifying the respective budget.

7. The central authorized body for budget execution shall provide a common methodological guidance for the budget monitoring.

Footnote. Article 112, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 113. Evaluation of the results

1. Evaluation of the results is a comprehensive and objective assessment of the impact of activity of the state body on the economic development of the country or region, in a given sector (scope) of the economy, the society, the analysis of performance indicators of the state body on the basis of the evaluation of the implementation of the strategic plan and budget programs.

2. Evaluation of the results should include:

1) the analysis of the correctness of the choice of performance indicators, clarity and sharpness of their presentation, the correctness of planning for the resources, needed for the implementation of the budget program;

Note of the RCLI!

Subparagraph 2) is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2017).

2) the analysis of the level of achievement of the performance indicators, identified in the strategic plans and budget programs of the state bodies;

3) the evaluation of conformity of the received results to the strategic directions, goals and objectives of the state body, as defined in the strategic plan;

Note of the RCLI!

Subparagraph 2) is provided to supplement by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2017).

4) the evaluation of conformity of the achieved results to the interests and needs of the recipients of public services;

5) the analysis of the reasons of failure to reach the strategic goals and performance indicators;

6) the recommendations for improving the performance of the state body, to increase, reduction in cost of funding of the budget programs or their exclusion from the budget.

3. The information of non-governmental organizations (public associations) about the quality of public services, received on the basis of a survey of recipients, is used in the evaluation of the results.

4. Evaluation of the results is carried out by the administrators of budget programs and the state bodies, authorized by the President of the Republic of Kazakhstan.

5. The order of evaluation of the results is determined by the President of the Republic of Kazakhstan.

Footnote. Article 113, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Section 5. The system of accounting and financial reporting of state institutions, with the exception of the National Bank of the Republic of Kazakhstan and its agencies

Footnote. Title of Section 5 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its official publication).

Chapter 22. THE ACCOUNTING SYSTEM

Article 114. The purpose of the accounting and financial reporting

The purpose of the accounting and financial reporting is the provision of full and accurate information about the financial position of the state institutions to the interested parties.

Article 115. The principles and the qualitative characteristics of accounting and financial reporting

1. The principles of accounting and financial reporting are the accrual and ongoing concern.

The accrual principle is ensured by the recognition of the results of operations upon which they occurred, regardless of the time of payment.

The ongoing concern principle means that the state institution intends to work in the foreseeable future, there will not be the need to eliminate or considerably reduce the activity . If such an intention or need exists, the financial reporting is prepared according to the specific rules.

2. The main qualitative characteristics of financial reporting are the understandability, relevance, reliability and comparability.

The understandability is the information provided in the financial reporting should be understandable to users.

The relevance is the information must be relevant to users, who make decisions and help them to assess the event, confirm or correct their past evaluations.

The reliability is the absence of the significant errors and distortions, when the users can rely on the information as to the true.

The comparability is the ability to compare the information for the different periods and the different state institutions. The financial results of similar operations should be carried out on a uniform methodology for all state institutions.

Article 116. The accounting system

1. The accounting is the ordered system of collecting, recording and summarizing the information on the operations of state institutions, regulated by the budget legislation of the Republic of Kazakhstan and the accounting policy.

2. The accounting policy includes the principles, fundamentals, regulations, rules and practices used by the state institutions in the preparation and presentation of financial reporting, which is united for all state institutions. The accounting policy is developed and approved by the central authorized body for budget execution.

3. The transactions and events are recorded in the accounting records on the basis of the chart of accounts of state institutions, which is developed and approved by the central authorized body for budget execution.

4. The accounting procedures in the state institutions, the order of the inventory in the state institutions, the album of forms of accounting documents for the state institutions are established by the central authorized body for budget execution.

5. The administrators of budget programs in consultation with the central authorized body for budget execution, where necessary, may issue the instructions on the application of the general provisions on accounting in the state institutions, their system taking into account the specific features of their activities and compliance with the established accounting procedures in the state institutions.

Footnote. Article 116, as amended by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011).

Chapter 23. FINANCIAL STATEMENTS

Article 117. Financial statements

1. The financial statements are the information on financial position and changes in financial position of the state institution.
2. The financial statements of the state institution shall include:
1) a balance sheet;
2) is excluded by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011);
2-1) a statement of financial activity;
2-2) a statement on the changes in net assets / equity;
3) a statement on monetary movement in the accounts of the state institution by sources of funding;
4) an explanatory note.
3. The financial statements of the state institution are supported by the basic documents .
4. The state institution shall maintain a single accounting of all transactions.
5. The forms and procedures for the preparation and presentation of financial statements are set by the central authorized body for budget execution.
Footnote. Article 117, as amended by the Law of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011).

Article 118. The consolidated financial statements

The administrators of budget programs local authorized bodies for budget execution shall prepare the consolidated financial statements in the manner prescribed by the central authorized body for budget execution.
Footnote. Article 118 is in the wording of the Law of the Republic of Kazakhstan dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 119. The reporting period

1. The reporting period for the annual financial statements is the calendar year from January 1 to December 31.
2. The first reporting year for the newly created state institution begins from the moment of its state registration by 31December of the same year, included.

Article 120. The presentation of financial statements

1. The state institutions shall present the financial statements to the administrators of budget programs.
2. The administrators of budget programs shall present the financial statements to:
1) the authorized body for budget execution;

2) the bodies of the state financial control of the Republic of Kazakhstan.

2-1. Local authorized bodies for budget execution shall present the consolidated financial statements to the central authorized body for budget execution.

3. The financial statements are presented in the national currency of the Republic of Kazakhstan.

4. The central authorized body for budget execution shall have the right to determine the periods of presentation of the interim financial statements and establish a different periodicity, but not less than once a year.

Footnote. Article 120, as amended by the Law of the republic of Kazakhstan dated 02.07.2013 No. 112-V (shall be enforced upon expiry of ten calendar days after its first official publication).

SECTION 6. BUDGETARY ACCOUNTING AND REPORTING

Chapter 24. BUDGETARY ACCOUNTING

Article 121. The basic provisions of the budgetary accounting

The budgetary accounting is the ordered system of collecting, recording and summarizing the information in terms of money, on the transactions from the single treasury account and the accounts of state institutions, on the requirements and obligations of the Government of the Republic of Kazakhstan and local executive bodies, regulated by the budget legislation of the Republic of Kazakhstan.

Article 122. Maintenance of the budgetary accounting

1. The data of budgetary accounting is the basis for the budget reporting.

2. The procedure for maintaining the budgetary accounting is determined by the central authorized body for budget execution.

Article 123. The qualitative characteristics of budgetary reporting

1. The budgetary reporting must comply with the following qualitative characteristics:

1) the credibility, signifying the authenticity of performed operations and the absence of errors in the accounting treatment;

2) the completeness, meaning the reflection of all required information, provided by the budget legislation of the Republic of Kazakhstan;

3) the compliance, meaning the compliance with the provisions of this Code and other regulatory legal acts on reporting.

2. The receipt into the budget of the received goods (works, services) is recorded in monetary terms of budgetary reporting.

Article 124. Types of budgetary reporting

1. The budgetary reporting shall include the following reports:

1) the reports of state institutions:

the report on the performance of individual financing plans for obligations and charges;

the report on the implementation of plans of receipt and expenditure of money from the

sale of goods (works, services);
the report on the receipt and expenditure of money from sponsorship and charity;
the report on the accounts receivable;
the report on the loan debt;
2) the reports of administrators of budget programs:
the report on the results of budget monitoring;
the report on the implementation of the financing plan of the budget programs;
the report on the implementation of plans of receipt and expenditure of money from the sale of goods (works, services);
the report on the receipt and expenditure of money from sponsorship and charity;
the report on the accounts receivable;
the report on the loan debt;
the report on the implementation of the strategic plan;
the report on the implementation of budget programs of the administrator of budget programs, not developing the strategic plan;
3) the budget reporting of the authorized bodies for budget execution:
the reports on the execution of the republican, respective local budgets, the budgets of the regions, the state and consolidated budgets;
the report on the receipt and use of the National Fund of the Republic of Kazakhstan;
the report on the monetary movement in the cash reconciliation account of the National Fund of the Republic of Kazakhstan;
the report on the implementation of plans of receipt and expenditure of money from the sale of goods (works, services) on the state, republican and local budgets;
the report on the requirements and obligations of the Government of the Republic of Kazakhstan and local executive bodies;
the report on the receipt and expenditure of money from sponsorship and charitable support for the state, republican and local budgets;
the report on the accounts receivable of the republican and local budgets;
the report on the loan debt of the state, republican and local budgets;
the analytical report on the execution of the republican (local) budget according to the result of budget monitoring;
4) The reports of the Government of the Republic of Kazakhstan, the local executive body:
the annual report on the execution of the republican or respective local budget;
the annual report on the formation and use of the National Fund of the Republic of Kazakhstan.
2. The central authorized body for budget execution shall establish the additional forms of budgetary reporting within its competence.
3. The central and local state bodies, state institutions shall follow the regulatory legal acts on the preparation and presentation of budget reporting.
4. The procedure for preparation and presentation of budgetary reporting, specified in subparagraphs 1), 2) and 3) of paragraph 1 of this Article, except for the report on the implementation of the strategic plan, is established by the central authorized body for budget execution.
Footnote. Article 124, as amended by the Laws of the Republic of Kazakhstan from 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 125. Presentation of the report on the budget execution

1. The report on the execution of the republican and local budgets shall reflect the approved, clarified, adjusted republican and local budgets, the adopted, unpaid obligations,

the performance of the budget revenues, and (or) the paid obligations on budget programs of the respective budget.

2. The central authorized body for budget execution shall present the reports on the execution of the state, consolidated, republican and local budgets to the Government of the Republic of Kazakhstan on a monthly basis as of the first day of the month following the reporting period, the central authorized body on the state planning and the authorized body on the internal control to the Administration of the President of the Republic of Kazakhstan quarterly, and the report on the execution of the republican budget to the Accounts Committee for controlling over the execution of the republican budget.

3. The local authorized body of the region, the city of republican significance and the capital on budget execution shall present the report on the execution of the regional budget, the budgets of the city of republican significance and the capital, to the akimat, the audit committee of the region, the city of republican significance and the capital, the authorized bodies of the region, the city of republican significance and the capital on the state planning , and to the body, authorized by the Government of the Republic of Kazakhstan on the internal control on a monthly basis as of the first day of the month following the reporting period.

The local authorized bodies of the region, the city of republican significance and the capital on budget execution shall present the monthly and year-end reports, provided in Article 124 of this Code, to the central authorized body on budget execution.

4. The local authorized body of the district (the city of regional importance) on budget execution shall present the report on the execution of the budget of the district (the city of regional importance), and the other reports, required by this Code, to the akimat, the Audit Commission of the district, the local authorized body of the district (the city of regional importance) on state planning, the local authorized body on budget execution and to the body, authorized by the Government of the Republic of Kazakhstan on the internal control, on a monthly basis as of the first day of the month following the reporting period.

Footnote. Article 125, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication.)

Article 126. The report on the implementation of the strategic plan

1. The report on the implementation of the strategic plan shall contain the information on the progress of its implementation, the progress in achieving the goals, objectives and the performance indicators of the state body.

Note of the RCLI!

Paragraph 2 shall be amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No . 150-V (shall be enforced from 01.01.2015).

2. The report on the implementation of the strategic plan shall be presented annually before February 15 of the current fiscal year by:

the state bodies, directly responsible and accountable to the President of the Republic of Kazakhstan to the Administration of the President of the Republic of Kazakhstan, the central authorized bodies on the state planning and execution of the budget and to the bodies, authorized by the President of the Republic of Kazakhstan for the assessment of results;

The state bodies within the structure of the Government of the Republic of Kazakhstan to the Government of the Republic of Kazakhstan, the central authorized bodies on the state planning and execution of the budget and to the bodies, authorized by the President of the Republic of Kazakhstan for the assessment of results;

the executive bodies, financed from the local budget to the Akim, to the local authorized bodies on the state planning and execution of the budget and to the bodies, authorized by the President of the Republic of Kazakhstan for the assessment of results.

3. The reports on the implementation of strategic plans shall be published in the media.

The procedure for preparation and presentation of the report on the implementation of the strategic plan is established by the President of the Republic of Kazakhstan.

Footnote. Article 126, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Chapter 25. THE ANNUAL REPORT ON THE BUDGET EXECUTION

Article 127. Presentation of the annual report on the execution of the republican budget

1. The central authorized body for budget execution shall prepare and present the annual report on the execution of the republican budget for the financial year to the Government of the Republic of Kazakhstan, the central authorized body for state planning and the bodies for the state financial control no later than 25 March of the year following the reporting year.

2. The annual report on the execution of the republican budget for the financial year shall consist of:

1) the report on the execution of the republican budget for the corresponding financial year, which presents the data on the performance indicators of the republican budget, according to the annexes to the Law on the republican budget;

2) the analytical report on the execution of the republican budget by revenues, performance of budget programs based on provided budget monitoring and evaluation of results, and on the results of the analysis for achievement of the results, goals and objectives of the strategic plans of the state bodies for the financial year;

3) the explanatory note.

3. The explanatory note includes the analytical information about the economic situation and the implementation of the main areas of fiscal policy in the country, made in the forecasting of social and economic development of the republic for the relevant period, and the performance of Articles of the Law on the republican budget for the corresponding financial year.

4. The annual report on the execution of the republican budget for the financial year shall be presented by the Government of the Republic of Kazakhstan annually no later than April 20 of the current year to the Parliament of the Republic of Kazakhstan and to the Accounts Committee for controlling over the execution of the republican budget. The central authorized body for budget execution coordinates the work of administrators of budget programs in the consideration of the annual report on the execution of the republican budget for the financial year in the Parliament of the Republic of Kazakhstan.

5. The procedure for preparation and presentation of the annual report on the execution of the republican budget is determined by the President of the Republic of Kazakhstan.

Footnote. Article 127, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 128. The discussion and approval of the annual report on the execution of the republican budget in the Parliament of the Republic of Kazakhstan

1. The Parliament of the Republic of Kazakhstan shall discuss the annual report of the Government of the Republic of Kazakhstan on the execution of the republican budget for the financial year after receiving the report of the Accounts Committee for controlling over execution of the republican budget on the execution of the republican budget in separate sessions of the Chambers-by-case first in the Mazhilis, and then in the Senate.

2. In the discussion of the annual report on the execution of the republican budget, the Parliament of the Republic of Kazakhstan shall hear:

the report of the officials, authorized by the Government of the Republic of Kazakhstan on the execution of the republican budget and the implementation of the main areas of fiscal policy in the country, made in the forecasting of social and economic development for the relevant period;

the report of the Chairperson of the Accounts Committee for controlling over execution of the republican budget on the execution of the republican budget;

the supplementary reports of the officials, authorized by the Chambers of the Parliament of the Republic of Kazakhstan with the conclusions for the report on the execution of the republican budget.

3. After discussion in the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan, the annual reports of the Government of the Republic of Kazakhstan and the Accounts Committee for controlling over execution of the republican budget on the execution of the republican budget for the financial year, shall be approved at a joint session of the Chambers of the Parliament of the Republic of Kazakhstan.

Footnote. Article 128, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 129. Presentation of the annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital

1. The local authorized body of the region, the city of republican significance and the capital for budget execution no later than April 1 of the year following the reporting year, shall present the annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital for the financial year to the akimat, the authorized body of the region, the city of republican significance and the capital for state planning and the body, authorized by the Government of the Republic of Kazakhstan on the internal control.

2. The annual report on the execution of the regional budget, the city of republican significance and the capital for the financial year shall consist of:

1) the report on the execution of the regional budget, the budgets of the city of republican significance and the capital for the corresponding financial year, which presents the data on the performance indicators of the regional budget, the budgets of the city of republican significance and the capital, according to the annexes to the decision of maslikhat on the regional budget, the budgets of the city of republican significance and the capital;

Note of the RCLI!

Subparagraph 2 is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2015).

2) the analytical report on the execution of the regional budget, the budgets of the city of republican significance and the capital by revenues, performance of local budget programs based on the carried out budget monitoring and evaluation of results, and the results of the analysis of achievement of the results, goals and objectives of the strategic plans of state bodies for the financial year;

3) the explanatory note.

3. The explanatory note provides the analytical information about the economic situation and the implementation of the main directions of the fiscal policies, adopted in the forecasting of social and economic development for the relevant period, the performance of Articles of the regional budget, the budgets of the city of republican significance and the capital for the corresponding financial year.

4.Akimat of the region, the city of republican significance and the capital shall represent the annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital for the financial year annually, with the applications:

1) no later than April 20 of this year, to the audit committee of the region, the city of republican significance and the capital;

2) no later than May 1 of the year to maslikhat of the region, the city of republican significance and the capital.

Footnote. Article 129, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 130. Consideration and approval of the annual report on the performance of the regional budget, the city of republican status, capital

1. Maslikhat shall consider the annual report of akimats of the regions, the city of republican significance and the capital on the execution of the regional budget, the budgets of the city of republican significance and the capital for the financial year in the standing commission of maslikhat within one month after receipt of the report of the Audit Commission of the region, the city of republican significance and the capital on the execution of the regional budget, the budgets of the city of republican significance and the capital.

2. When considering the annual report maslikhat shall hear:

The report of the persons, authorized by akimat on the execution of the regional budget, the budgets of the city of republican significance and the capital and the implementation of the main directions of fiscal policy in the region, adopted in the forecasting of social and economic development for the corresponding period;

The report of the Chairperson of the Audit Commission of the region, the city of republican significance and the capital on the results of monitoring for the execution of the regional budget, the city of republican significance and the capital;

The report of the person(s), authorized by maslikhat with the conclusion of the report on the execution of the regional budget, the budgets of the city of republican significance and the capital.

3. The annual report on the execution of the regional budget, the budgets of the city of republican significance and the capital after consideration of the standing commission of maslikhat, is approved at the session of maslikhat.

Footnote. Article 130, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 131. Presentation of the annual report on the execution of budget of the district (the city of regional importance)

1. The local authorized body of the district (the city of regional importance) on budget execution shall present the annual report on the execution of budget of the district (the city of regional importance) for the financial year, with applications to the akimat, the authorized body of district (the city of regional significance) for state planning and the body, authorized by the Government of the Republic of Kazakhstan on the internal control not later than 1 March of the year following the reporting year.

2. The annual report on the execution of budget of the district (the city of regional importance) for the financial year shall consist of:

1) the report on the execution of budget of the district (the city of regional importance) for the financial year, which presents the data on the performance indicators of budget of the district (the city of regional importance), according to the annexes to the decision of maslikhat on the budget of the district (the city of regional importance);

Note of the RCLI!

Subparagraph 2 is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2015).

2) the analytical report on the execution of budget of the district (the city of regional importance) by revenues, performance of local budget programs based on the carried out budget

monitoring and evaluation of results, and the results of the analysis of achievement of the results, goals and objectives of the strategic plans of the state bodies for the financial year ;

3) the explanatory note.

3. The explanatory note provides the analytical information about the economic situation and the implementation of the main directions of the fiscal policies, adopted in the forecasting of social and economic development for the relevant period, on the execution of budget of the district (the city of regional importance) for the financial year.

4. Akimat of the district (the city of regional importance) shall annually present the annual report on the execution of budget of the district (the city of regional importance) for the financial year with the applications:

1) no later than March 20 of this year, to the audit committee of the district, the city of republican significance and the capital, which includes the corresponding district (the city of regional importance);

2) no later than April 1 of the year to maslikhat of the district (the city of regional importance).

Footnote. Article 131, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 132. Consideration and approval of the annual report on the execution of budget of the district (the city of regional importance)

1. Maslikhat shall consider the annual report of akimat of the district (the city of regional importance) on the execution of budget of the district (the city of regional importance) for the financial year in the standing commissions of maslikhat within one month after receipt of the report of the audit committee on the execution of budget of the district (the city of regional importance).

2. When considering the annual report, maslikhat shall hear:

the report of the person, authorized by akimat on the execution of budget of the district (the city of regional importance);

the report of the Chairperson of the Audit Committee of the district or the member authorized by the Chairperson on the results of control over the execution of budget of the district (the city of regional importance);

the report of the person(s), authorized by maslikhat with the conclusion of the report on the execution of budget of the district (the city of regional importance).

3. The annual report on the execution of budget of the district (the city of regional importance) is approved at the session of maslikhat, after the consideration of the standing commissions of maslikhat.

Footnote. Article 132, as amended by the Law of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Chapter 26. THE ANNUAL REPORT ON THE FORMATION AND USE OF THE NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN

Article 133. Preparation of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan

1. The audit is made annually in order to ensure the transparency of activities, related to the management of the National Fund of the Republic of Kazakhstan.

The audit firm is selected on a competitive basis, in the order determined by the Government of the Republic of Kazakhstan.

The Government of the Republic of Kazakhstan shall provide the organization of the annual audit of the National Fund of the Republic of Kazakhstan.

2. The annual report on the formation and use of the National Fund of the Republic of Kazakhstan is made by the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan annually by April 1 of the year following the reporting year, with the inclusion of the results of the audit of the National Fund of the Republic of Kazakhstan.

3. The annual report on the formation and use of the National Fund of the Republic of Kazakhstan shall contain:

1) the report on the revenues and the use of the National Fund of the Republic of Kazakhstan;

2) the report on the activities of the National Bank of the Republic Kazakhstan on trust management of the National Fund of the Republic of Kazakhstan;

3) other information on management of the National Fund of the Republic of Kazakhstan.

4. The annual financial statement on the results of trust management of the National Fund of the Republic of Kazakhstan is signed by the Chairperson and the Chief Accountant of the National Bank of the Republic of Kazakhstan.

5. The forms and procedure for preparation of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan are approved by the Government of the Republic of Kazakhstan in consultation with the National Bank of the Republic of Kazakhstan.

Footnote. Article 133, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 134. Presentation and approval of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan

1. The Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan shall present the annual report on the formation and use of the National Fund of the Republic of Kazakhstan to the President of the Republic of Kazakhstan, annually no later than May 1 of this year.

2. The Government of the Republic of Kazakhstan after the approval of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan by the President of the Republic of Kazakhstan shall present it in the procedure of information to the Parliament of the Republic of Kazakhstan.

3. The information about the annual report on the formation and use of the National Fund of the Republic of Kazakhstan and the results of the audit shall be published in the media.

SECTION 7. THE STATE FINANCIAL CONTROL

Chapter 27. GENERAL PROVISIONS ON THE STATE FINANCIAL CONTROL

Article 135. The state financial control

1. The state financial control is exercised by the bodies of state financial control in order to identify, remove and prevent violations by objects of control over the budgetary and other legislation of the Republic of Kazakhstan.

2. The state financial control is divided into:

1) domestic and external financial control;

2) conducted at the republican and local levels of state administration, depending on the corresponding level of the budget.

3. The internal state financial control is the control over the execution of the republican and local budgets, carried out by the body authorized by the Government of the Republic of Kazakhstan on internal control and the internal control services of the central state bodies and executive bodies, financed from the regional budget, the budgets of the city of republican significance and the capital, with the submission of reports to the Government of the Republic of Kazakhstan, the first heads of the central state bodies and the first heads of executive bodies, financed from the regional budget, the budgets of the city of republican importance, the capital and district (the city of regional importance).

The external state financial control is the control over the execution of the republican and local budgets carried out by the Accounts Committee for control over the execution of the republican budget independent with respect to the Government of the Republic of Kazakhstan and local executive bodies and Audit Commission of the regions, the cities of the republican significance and the capital with the submission of reports to the President of the Republic of Kazakhstan, Parliament of the Republic of Kazakhstan and to the corresponding Maslikhats.

Footnote. Article 135, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 136. The system of the bodies for state financial control

1. The system of the bodies for state financial control is:

1) the Accounts Committee for control over execution of the republican budget;

2) the audit committee of the regions, the cities of republican significance and the capital;

3) the body, authorized by the Government of the Republic of Kazakhstan on internal control;

4) the internal control services of the central state bodies;

5) the internal control services of the executive bodies, financed from the regional budget, the budgets of the city of republican significance and the capital.

2. The Accounts Committee for control over execution of the republican budget is the highest organ for state financial control, exercising the external control over execution of the republican budget, and directly subordinated and accountable to the President of the Republic of Kazakhstan.

3. The audit committees of the regions, the cities of republican significance and the capital are the state bodies, exercising the external state financial control over the execution of the local budget.

3-1. Involvement of officials of the external state financial control at the request of state bodies to carry out the inspections, not provided in the work plans of the Accounts Committee for control over execution of the republican budget and audit committees of the regions, the cities of republican significance and the capital, is not allowed.

4. The internal state financial control at the republican level is carried out by the body, authorized by the Government of the Republic of Kazakhstan on internal control and the internal control services of the central state bodies in the manner prescribed by the Government of the Republic of Kazakhstan.

5. The internal state financial control at the local level is carried out by the body, authorized by the Government of the Republic of Kazakhstan on internal control and the internal control services of the executive bodies, financed from the regional budget, the budgets of the city of republican significance and the capital in the manner prescribed by the Government of the Republic of Kazakhstan.

6. The body, authorized by the Government of the Republic of Kazakhstan on internal control shall provide the internal state financial control by the plan, approved to the

corresponding fiscal year.

Unscheduled control is carried out on the instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, the authorized state bodies, and on the deputies' requests.

Footnote. Article 136, as amended by the Laws of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 137. The principles and standards of the state financial control

1. The principles of the state financial control are:

1) the principle of independence is the avoiding of interference, which encroaches on the independence of the bodies for state financial control and its employees in the exercising of their activities;

2) the principle of objectivity is carrying out the control in accordance with the legislation of the Republic of Kazakhstan and the standards of the state financial control, and elimination of conflicts of interest;

3) the principle of accuracy is the confirmation of the test results by the accounting, banking and other documents of the test object;

4) the principle of transparency is the clarity of the test results, the accountability of the bodies for state financial control to the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, Maslikhats, the heads of state bodies and to the public;

5) the principle of competence is the set of professional knowledge and skills of employees of the bodies for state financial control, required to provide the state financial control;

6) the principle of transparency is the mandatory publication of the results of the state financial control with a view to ensuring the secrecy, official, commercial or other secret protected by the Law.

2. The uniform requirements for the state financial control are defined in the standards of state financial control.

3. The standards for state financial control are developed by the Accounts Committee for control over execution of the republican budget together with the body, authorized by the Government of the Republic of Kazakhstan on internal control and approved by the President of the Republic of Kazakhstan.

4. The standards of state financial control are obligatory for the bodies of state financial control.

Article 138. Types of the state financial control

The state financial control is divided into the following types:

1) the control for compliance is the conformity assessment of the activities of the controlling object to the requirements of budgetary and other legislation of the Republic of Kazakhstan;

2) the control of financial reporting is the evaluation of the reliability, validity and timeliness of the preparation and presentation of financial reporting by the object of control;

3) the control of the effectiveness is the assessment, including provided on the basis of the control for compliance and financial reporting, the achievement of direct and final results by the state bodies, which provided in their strategic plans, the implementation of state and budget programs, the programs for development of areas, the provided public services, the use

of tied grants, the public loans and the loans, guaranteed by the state, the guarantees and assets of the state, as well as a comprehensive and objective analysis of the impact of activity of the state body and quasi-public sector entities for the development of the economy or for individual sectors of the economy, the social sphere and other spheres of state administration.

Footnote. Article 138, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 138-1. Classifier of violations, detected in the objects of state financial control

1. The body authorized, by the Government of the Republic of Kazakhstan for internal control in consultation with the Accounts Committee for control over execution of the republican budget shall develop and approve the classifier of violations in order to ensure a common approach in the implementation of state financial control.

2. The classifier of violations includes the violations of the following groups:

1) upon the receipt of funds in the budget (revenues) - the nonperformance and (or) the failure to enforce the tax, non-tax liabilities, revenues from sales of fixed assets in the corresponding budget, as well as untimely, incomplete transfer of revenues to the budget, violation of the order to return from the budget and (or) offset of overpayments of income;

2) upon the use of budget funds and state assets - the use of budget funds, transfers, loans, budget investments, tied grants, public loans and the loans guaranteed by the state, the guarantees and assets of the state with the violation of the budgetary and other legislation of the Republic of Kazakhstan;

3) upon accounting and financial reporting –the admission of inconsistency of data of accounting to the primary documents due to the non-conducting of primary records according to the established forms of primary documentation, shortage of inventory and cash, unjustified write-off of assets, materials, wear low-value items;

4) failure to comply with the terms of the order of the budgetary processes and procedures of the legislation of the Republic of Kazakhstan on public procurement, which caused no damage (harm) to the state and recipients of budget funds and not involving the administrative and criminal liability, established by the Laws of the Republic of Kazakhstan.

The violation groups, provided by this paragraph are classified into types.

3. The amounts of violations, identified as a result of control, which are subject to restoration in accordance with the legislation of the Republic of Kazakhstan shall be rehabilitated by the performance of works, services, supplies of goods and (or) the reflection of accounting.

The amounts of violations, identified as a result of control, which are subject to reimbursement in accordance with the legislation of the Republic of Kazakhstan, shall be returned to the revenues of the appropriate budget.

The return to the budget is based on the decision of the body for state financial control and (or) the court’s decision.

4. The persons, found guilty for the violations, specified in paragraph 2 of this Article shall be liable in accordance with the Laws of the Republic of Kazakhstan.

Footnote. Chapter 27 is supplemented by Article 138-1 in accordance with the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 139. Types of the state financial control

The bodies for state financial control shall carry out the following types of control, within their authority:

1) the integrated control is the control and evaluation of activities of controlling objects on all issues for a specific period;

2) the thematic control is the control and evaluation of activities of controlling object on individual issues for a specific period;

3) the counter-control is the control of third parties, which is held exclusively on relations with the main object of control in the matters of the checking issue;

4) the joint control is the control exercised by the bodies for state financial control together with other state bodies within the agreed period;

5) the concurrency control is the control exercised by the bodies for state financial control independently on the agreed issues and the period of conducting with the subsequent exchange of their results.

Footnote. Article 139, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 140. Acts, adopted on the results of control

The following acts are adopted according to the results of control, by:

1) the bodies of the external state financial control and the bodies, authorized by the Government of the Republic of Kazakhstan on internal control:

A certificate of inspection is a document, drawn up by the bodies for state financial control as a result of control;

A report on the results of control is a document, drawn up by the bodies for state financial control on the results of the work on control over a certain period of time;

A resolution is a document, adopted by the Accounts Committee for control over execution of the republican budget and the Audit Committee of the region, the city of republican significance and the capital, confirming the results of monitoring and containing the solutions , binding on all state bodies, organizations and officials, to whom it is addressed;

A conclusion is a document of the Accounts Committee for control over execution of the republican budget and the Audit Committee of the regions, the city of republican significance and the capital, compiled on the basis of acts of control and (or) the audit reports;

A representation is a mandatory document of the bodies for state financial control, directed to the controlling objects and other interested persons, to eliminate the violations and shortcomings in the work;

2) the Internal control service:

A conclusion on the results of internal control is a document, drawn up by the results of the control, and signed by the internal control service and the object of internal control;

A report on the results of internal control is a document, drawn up on the basis of the conclusion of the internal control, including the recommendations for improvement of internal procedures, rules, and processes to improve the operational efficiency, and achieve the direct and final results of the activity of the object for internal control, represented to the head of the state body.

The internal control service shall make based on the report of the results of the internal control, the project of presentation, which is the draft of the document, adopted by the head of the state body on the basis of the internal control, and is obligatory to the objects of internal control to address the violations and shortcomings in the work, and the implementation of its recommendations.

Footnote. Article 140 is in the wording of the Law of the Republic of Kazakhstan dated

02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), as amended by the Law of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first the official publication).

Chapter 28. THE BODIES FOR STATE FINANCIAL CONTROL

Article 141. The competence of the Accounts Committee for control over execution of the republican budget

The Accounts Committee for control over execution of the republican budget shall:

1) assess the performance of the republican budget, including in accordance with the principles of the budget system of the Republic of Kazakhstan;

2) control the effectiveness on the directions of its activity;

3) control the accuracy and correctness of accounting and reporting of controlling objects;

4) assess the implementation of the strategic plans of the central state bodies, the state and budget programs;

5) control for compliance of the use of the republican budget funds, including the targeted transfers and credits, tied grants, the state and the loans, guaranteed by the state, co-financing of concession projects from the budget, as well as the guarantees and assets of the state with the legislation of the Republic of Kazakhstan;

6) submit for consideration and approval the report on the implementation of the republican budget for the financial year that by its content is the conclusion to the relevant report of the Government of the Republic of Kazakhstan, to the Parliament of the Republic of Kazakhstan and the information to the Government of Kazakhstan no later than 15 May of this year;

7) perform the instructions of the President of the Republic of Kazakhstan on issues, related to the implementation of the state financial control, as well as other specific instructions of the President of the Republic of Kazakhstan;

8) submit to the President of the Republic of Kazakhstan the representations on the non-compliance of the regulatory legal acts of the Republic of Kazakhstan by the officials of the objects of the state financial control, including the results of efficiency control, as well as the proposals to involve the officials to disciplinary action to the relevant state bodies or the persons, who appointed them;

9) control over the completeness and timeliness of revenues to the republican budget, as well as the return of the amounts of income from the republican budget, the efficiency of tax and customs administration;

10) control over the execution of the state emergency budget;

11) control for compliance with the legislation of the Republic of Kazakhstan on public procurement when using the republican budget and the state assets;

11-1) control the use of funds of the National Fund of the Republic of Kazakhstan;

12) control for compliance of the use of the assets of the National Bank of the Republic of Kazakhstan with the legislation of the Republic of Kazakhstan only with the consent or at the request of the President of the Republic of Kazakhstan;

13) request and receive the necessary documentation and information on issues, related to the planning and conducting of the external state financial control at the republican level, providing for the regime of secrecy, official, commercial or other secrets, protected by the Law, from the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan, state bodies, individuals and legal entities in the established terms;

14) hear the relevant reports of the officials of controlling objects on the issues, related to the conduct of the external state financial control;

15) engage to conduct the external state financial control the relevant specialists of

the state bodies and audit commissions of the regions, the cities of republican significance and the capital (with their consent), and if necessary the audit organizations and the experts paying for their services from the republican budget;

16) take measures to eliminate the violations, identified in providing the controlling and analytical measures;

17) receive freely the relevant material (evidence), supporting the conclusions of control for compliance with the legislation of the Republic of Kazakhstan, regulated the documentation and preservation from the controlling object;

18) analyze the acts of control of the state financial control and make recommendations for improving the quality of state financial control;

18-1) have the right to request the acts, adopted on the results of the control, carried out by the body, authorized by the Government of the Republic of Kazakhstan on internal control , in the part of execution of the republican budget;

19) define the order of the external state financial control, develop the standards of state financial control, conduct the monitoring for their compliance;

20) carry out the analysis and research, provide the methodological guidance in the area of state financial control, implement the training programs in the area of state financial control;

21) make recommendations to improve the budgetary and other legislation of the Republic of Kazakhstan, develop, agree and approve the regulatory legal acts on the issues of the external state financial control;

22) monitor and control over the implementation of the recommendations and instructions sent to the Government of the Republic of Kazakhstan, state bodies and controlling objects;

23) provide the technical assistance to audit commissions of the regions, the cities of republican significance and the capital;

23-1) develop and maintain a model regulation on the audit commissions of the regions, the cities of republican significance and the capital;

23-2) organize there-training and the professional development of employees of the state financial control;

24) control over the use by the quasi-public sector entities, the allocated to them funds of the republican budget to meet the financial and economic feasibility, evaluation of the effectiveness of budget investment, as well as control for the effectiveness of asset management of the entities of quasi-public sector, the shares (interests) of which are owned by the state;

25) exercise the other powers in accordance with the Laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. Article 141, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 01.04.2011 No. 425-IV (shall be enforced from the date of its first official publication), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 142. The competence of the audit commission of maslikhat

Footnote. Title of Article 142, as amended by the Law of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

The Audit Commission of the region, the city of republican significance and the capital shall:

1) assess the performance of the local budget, including in accordance with the principles of the budget system of the Republic of Kazakhstan;

2) control the effectiveness on the directions of its activity;

3) control the accuracy and correctness of accounting and reporting of controlling objects;

Note of the RCLI!

Subparagraph 4 is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2015).

4) assess the implementation of the strategic plans of the local state bodies, the programs for development of the region and budget programs;

5) control for compliance of the use of the local budget funds, including the allocated from the higher to the lower budgets in the form of the targeted transfers and budget loans, tied grants, loans of the local executive bodies, the state assets with the legislation of the Republic of Kazakhstan;

6) present the report on the execution of the local budget, which by its content is the conclusion to the relevant report of the appropriate local executive body, to maslikhat in the specified period;

7) have the right to provide the information to the Accounts Committee for control over execution of the republican budget on the results of controlling measures on the use of the republican budget funds, allocated to the local budgets in the form of targeted transfers, credits and loans;

8) Is excluded by the Law of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first publication);

9) control over the completeness and timeliness of revenues to the local budget, as well as the accuracy of the return and (or) offset of the overly (wrongly) paid amounts of revenues to the local budget;

10) submit the presentations on the identified facts of non-compliance with the regulatory legal acts of the Republic of Kazakhstan by officials, as well as on the results of efficiency control, to maslikhat;

11) request and receive from the state bodies, controlling objects, individuals and legal entities, who hold information about the controlling object providing the secrecy, official, commercial or other secrets, protected by the Law;

12) hear the reports of the officials of controlling objects on the issues, related to the conduct of the external state financial control;

13) engage the relevant experts of the state bodies, and if necessary the audit organizations, and the experts paying for their services from the local budget, to conduct the control;

14) receive freely the relevant material (evidence), supporting the conclusions of control for compliance with the legislation of the Republic of Kazakhstan, regulated the documentation and preservation, from the controlling object;

15) take measures to eliminate the violations, identified in the controlling and analytical measures;

16) have the right to participate in the controlling activities, carried out by the Accounts Committee for control over execution of the republican budget, on the use of the republican budget funds, allocated to the local budgets in the form of targeted transfers, credits and loans;

17) monitor and control over the implementation of the recommendations and instructions, directed to local executive bodies, state bodies and controlling objects;

18) in the identification of the violations, caused by officials, propose the compliance of these officials to their positions to the relevant state bodies or the persons, who appointed them;

19) control of the compliance with the legislation of the Republic of Kazakhstan on public procurement;

20) have the right to request the acts, adopted on the results of the control, carried

out by the body, authorized by the Government of the Republic of Kazakhstan on internal control in the execution of the local budget;

20-1) make recommendations to improve the budgetary and other legislation of the Republic of Kazakhstan;

21) exercise the other powers in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 142, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (the order for enforcement see Art. 2).

Article 143. The competence of the body, authorized by the Government of the Republic of Kazakhstan on the internal control

The body, authorized by the Government of the Republic of Kazakhstan on the internal control shall:

1) control for compliance of the use of the republican and local budgets funds with the legislation of the Republic of Kazakhstan;

2) control the accuracy and correctness of the accounting and reporting of the controlling objects;

2-1) control the effectiveness on the directions of its activity;

3) control for compliance with the legislation of the Republic of Kazakhstan on public procurement;

4) control for compliance with the conditions and procedures for the provision of budgetary credits, co-financing of concession projects, the state guarantees and the surety ship of the state, tied grants and the state assets;

5) control, within its competence, the activities of the controlling objects on the issues, related to the completeness and timeliness of making non-tax revenues to the republican and local budgets;

6) control the formation and use of money from the sale of goods (works, services), remaining at their disposal by the state institutions;

6-1) control the using of budget funds, by the quasi-public entities sector to meet the financial and economic feasibility within the order, established by the legislation of the Republic of Kazakhstan;

7) take measures to identify, prevent and suppress the violations when using the republican and local budget funds, in accordance with the legislation of the Republic of Kazakhstan;

8) control the execution of the representations, directed to the controlling objects, and the decisions adopted on the basis of the test results;

9) request and receive the necessary documents, statements, oral or written explanations on the issues, related to the conduct of the control from the controlling objects, in a specified period of time;

10) easily meet the documentation of the controlling objects, related to the issues of controlling action, providing the secrecy, official, commercial or other secrets, protected by the Law;

11) engage the relevant specialists of the state bodies, and if necessary the audit organizations and the experts, to the control, paying for their services within the funds, allocated from the republican budget for this purpose;

12) control the compliance with the standards of the state financial control and the control of the internal control services;

12-1) have the right to receive the reports and information on the implementation of the control and the measures, taken to them from the internal control services;

13) provide the methodological assistance to the internal control services, coordinate their activities, organize the training and advanced training of employees of the internal control services;

14) develop and approve the standard qualification requirements for employees of the internal control services;

15) present the reports on the results of controlling measures, including those conducted by the internal control services of the central and local state bodies, to the Government of the Republic of Kazakhstan;

16) direct the suits to the court in order to provide the compensation the amounts of the identified violations according to the test results to the budget;

17) exercise the other powers in accordance with the Laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. Article 143, as amended by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 04.07.2013 No.131-V (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 144. The internal control services

1. The internal control services shall:

1) control the internal control on the activities of the state body for the purpose of improving the quality and performance of its work;

2) assess the management system in the state body and its territorial units and subordinate organizations, give the recommendations to the first head of the state body for its improvement;

3) make an inspection for compliance with budgetary and other legislation of the Republic of Kazakhstan of the state body;

4) control the implementation of the strategic and operational plans of the state body, the evaluation of the results;

5) control the accuracy and correctness of the accounting and reporting of the state body ;

6) take measures to identify, prevent and suppress the violations when using the republican and (or) local budget funds in accordance with the legislation of the Republic of Kazakhstan;

7) control the execution of the representations directed to the controlling objects, and the decisions, adopted on the basis of the test results;

8) request and receive the necessary documents, statements, oral or written explanations on the issues, related to the conduct of control from the controlling objects in a specified period of time;

9) easily meet the documentation of the controlling objects, related to the issues of controlling action, providing the secrecy, official, commercial or other secrets, protected by the Law;

9-1) make the conclusion on the results of the internal control to the object of the internal control;

9-2) present the report on the results of the internal control and the presentation of project to the head of the state body;

9-3) send the reports and information on the implementation of controlling measures and the actions, taken by them to the body, authorized by the Government of the Republic of Kazakhstan on internal control;

9-4) control the implementation of budget investments, including the implementation of targeted transfers to development, with the right to site visit;

10) is excluded the by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV

(shall be enforced from 01.01.2010).

2. Is xcluded by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

3. The internal control service is organizationally independent from other structural subdivisions, subordinate and accountable only to the first head of the state body.

4. The internal control services of the executive bodies, financed from the regional budget, carry out the internal state financial control in the executive bodies, financed from the regional budget and the relevant executive bodies, financed from the budget of the district (the city of regional importance), as well as their subordinate organizations.

When conducting the internal state financial control in the executive bodies of the districts (the cities of regional importance), the internal control service of the regional level shall present the report on the results of control and the presentation of the project to the first head of the state body, financed from the budget of the district (the city of regional importance), where the internal state financial control was held.

Footnote. Article 144, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its official publication), dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 145. The interaction of the state bodies and the bodies for state financial control

1. The bodies for state financial control for the purpose of control shall exchange, within the agreed time, the information on the plans prior to their approval and implementation of controlling measures.

2. The bodies for state financial control shall act jointly, as well as conduct control with other state bodies by agreement.

3. The bodies for state financial control shall mutually recognize the results of the control in the condition of compliance of the controlling acts with the standards of state financial control.

4. The Accounts Committee for control over execution of the republican budget may request the information on the results of the state financial control from the audit commissions of the regions, the cities of republican significance and the capital.

4-1. The audit commissions of the regions, the cities of republican significance and the capital can make the proposals on the implementation of joint (parallel) control of state programs to the Accounts Committee for control over execution of the republican budget.

4-2. The bodies for external state financial control shall create the Coordinating Council for consideration of legal practice in the field of external state financial control, the issues of compliance with the standards of state financial control in order to coordinate the own activity.

The formation and organization of the Coordinating Council shall be determined by the Audit Committee for control over execution of the republican budget.

4-3. The Accounts Committee for control over execution of the republican budget to ensure a common approach to the planning of controlling measures shall develop and approve the typical risk management system, which is used in the planning and conducting of the external state financial control.

5. The bodies for state financial control in cases of signs of crime or administrative offense in the actions of officials of the controlling object shall pass the controlling materials to the Law enforcement agencies or the bodies, authorized to consider the cases of administrative offenses.

6. The complex control shall be held by the bodies for state financial control no more than once every two years.

Footnote. Article 145, as amended by the Laws of the Republic of Kazakhstan dated

02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Chapter 29. THE BASIS FOR CONDUCTING THE STATE FINANCIAL CONTROL

Article 146. The rights and responsibilities of the head of controlling object

1. The head of the controlling object has the right:

1) to know the purpose, time, duration of control, its results, conclusions and recommendations;

2) not to allow the employees of the bodies for state financial control, not submitting the relevant documents of the body for state financial control to conduct the control;

3) to address the objections to the act of control (the conclusion on the results of the internal control)within ten days, in case of disagreement with the results of control;

4) to speak at a meeting of the Accounts Committee for control over execution of the republican budget with the corresponding report, related to the conduct of the external state financial control;

5) to appeal against the actions of the body for state financial control, conducting the control in accordance with the legislation of the Republic of Kazakhstan.

2. The head of the controlling object shall:

1) provide the employees of the body for state financial control with working positions;

2) provide the employees of the body for state financial control with all the requested information necessary to conduct the control, take the personal responsibility for its accuracy , objectivity and completeness;

3) not interfere in the actions of the employees of the body for state financial control, not preclude to conducting the control and not limit its scope;

4) sign, in the prescribed manner, the act of control (the conclusion on the results of the internal control)within three days of the submission of the act of control (the conclusion on results of the internal control) to get acquainted with the results of the conducted control . In case of disagreement with the results, the act of control (the conclusion on the results of the internal control) shall be signed with the reservation on the objections. The objections to the act of control (the conclusion on the results of the internal control) are represented within the period specified in subparagraph 3) of paragraph 1 of this Article;

5) timely provide with the information, specified in the decision and presentation of the bodies for state financial control on measures, taken to correct the underlying deficiencies and prevent them in the future;

6) ensure the payment of revenues to the budget, compensation of unreasonably used funds in the budget or restore them by accounting, and the performance of goods, works and services of the contractual obligations by suppliers.

Footnote. Article 146, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 147. Reporting on the results of control

1. The materials of control with the objections of controlling object, not considered in the prescribed manner are not included in the reporting.

2. The bodies for state financial control are responsible for the accuracy of the information, included in the reporting on the results of control.

Article 148. The conflict of interest

1. The conflict of interest is any activity or relationship that may limit the objectivity and independence of the bodies for state financial control.

2. It is prohibited to conduct the control by the employees of the bodies for state financial control:

1) who are the close relatives, cousin-in-Law or proxies of the head, responsible secretary or other person, exercising their powers, the founder or participant of the controlling object;

2) from the number of employees, participants, officers of the controlling object, admitting an individual property interests;

3) who are worked in the controlling object or are close relatives, cousin-in-Law or proxies of the head, responsible secretary or other person, exercising their powers, the founder or participant of the controlling object in the inspection period.

3. When there is the conflict of interests, the employees of the bodies for state financial control must in writing notify the heads, who appointed the control. The responsibility for the appearance of the situations of conflict of interest rests to the employee of the body for state financial control in accordance with the Laws of the Republic of Kazakhstan.

Footnote. Article 148, as amended by the Law of the Republic of Kazakhstan dated 21.07.2011 No. 465-IV (shall be enforced upon expiry of ten calendar days after its official publication).

Article 149. The responsibility of officials of the bodies for state financial control, controlling objects

1. The employees of the bodies for state financial control are responsible by the Laws of the Republic of Kazakhstan for the accuracy, objectivity and completeness of the information, contained in the acts of control.

2. The obstruction to the officials of the bodies for state financial control in the performance of their duties in accordance with their competence, as expressed in the refusal of admission to conduct control, failure to submit the necessary documents, materials and information on the activities and other information, providing the false information, creating another obstruction in the implementation of control, as well as the failure or improper performance of the acts to eliminate violations, entail the responsibility of the controlling objects, provided by the Laws of the Republic of Kazakhstan.

3. Failure to comply with budgetary and other legislation of the Republic of Kazakhstan in the performance of activity entail the responsibility, provided by the Laws of the Republic of Kazakhstan.

Article 150. Resolution of Disputes

The actions of officials of the bodies for state financial control, controlling objects can be appealed in accordance with the legislation of the Republic of Kazakhstan.

SECTION 8. BUDGET INVESTMENTS

Footnote. Title of Section 8 is in the wording of the Law dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Footnote. Section 8 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Chapter 30. THE BUDGET INVESTMENT AND CONCESSION PROJECTS PLANNING

Footnote. Chapter 30 is in the wording of the Law dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 151. General provisions on the budget investment and concession projects

1. The budget investments are made through:
1) the budget investments;
2) the concession projects;
Planning of state investment projects is carried out in the framework of implementation of the state, sector programs and the regional development programs on the basis of economic findings on the investment proposal.
2. The budget investments and concession projects are divided into the republican and local.
3. The criteria for determining the republican and local budget investments and concession projects are:
1) the criterion by type of property as republican and local, depending on the emerging of property rights (republican or municipal) to the property, received as a result of the implementation of the budget investments or concession projects;
2) the criteria by recipients of benefits as republican, if the recipients of benefits are the subjects of two or more regions, the city of republican significance and the capital, and as local, if the recipients of benefits are the subjects of one region, the city of republican significance and the capital.
4. To determine the budget investments or concession projects as the republican, its compliance with one of the criteria, specified in paragraph 3 of this Article is sufficient.
5. The classification of local budget investments and concession projects for the regional, the city of republican significance, the capital and district (the cities of regional significance), is based on the criteria, specified in paragraph 3 of this Article.
6. The republican budget investments are implemented by the central state bodies at the expense of the republican budget.
7. The local budget investments are implemented by local executive bodies at the expense of the local budget.
8. The budget investments may be aimed at:
1) the creation (construction) and reconstruction of objects that can be technically complex and (or) unique, and technically uncomplicated and (or) typical, the introduction and development of information systems;
2) institutional development of the industry (industries) by forming or increasing of the authorized capital of the quasi-public sector entities.
9. Criteria for determining the source and the method of implementation:
1) criteria for preponderance of choice in the implementation of budget investments or concession projects on the basis of performance indicators of implementation and the investment management between the subjects of private sector, the quasi-public sector or the state body (administrator of budget program);
2) criteria for funding mechanisms is determined in accordance with the sources and methods of financing of the planned event in terms of its capabilities on the basis of cost-benefit analysis.
10. Sources of financing the budget investments are:
1) the republican budget;

2) the local budget.
11. The methods of financing the state investment projects from the budget are:
1) financing of the budget investment project;
2) budget lending of the budget investment project;
3) formation or increase in the authorized capital of legal entities;
4) budget lending on implementation of the state investment policy by funding agencies;
5) performance of the public concession obligations.
12. Financing mechanisms of state investment projects shall include the sources of budget investments and methods of financing the state investment projects.
13. Budget investments, aimed at implementation of the critical and demanding speedy implementation problems that have not passed the planning steps, and set out in Articles 153 and 154 of this Code shall be included in the draft republican budget with a positive proposal of the Republican budget commission.
In this case, administrators of budget programs to clarify or adjust the republican budget from the date of the positive proposals of the Republican budget commission shall submit the appropriate documentation, as specified in Articles 153 and 154 of this Code, to the central authorized body for the state planning.
In cases of non-submission of the relevant documentation in due time the budget investments are excluded from the republican budget in clarification or adjustment. The sums, provided for the implementation of these budget investments may be redistributed among other budget investments of the appropriate administrator of budget programs.
Procedure for consideration and selection of budget investments, aimed at the implementation of critical and demanding speedy implementation problems that have positive proposals of the Republican budget commission, is established by the Government of the Republic of Kazakhstan.
If after submission of the documents, referred to in Articles 153 and 154 of this Code, on the republican budget investments, aimed at the implementation of critical and demanding speedy implementation tasks, their cost will exceed the amount, provided for in the law on the republican budget for the relevant planning period, the total cost of the budget investments increases due to spending of the budget program on new initiatives through the refinement of the budget for the planning period in the prescribed manner.
If after submission of the documents, referred to in Articles 153 and 154 of this Code, on the republican budget investments, aimed at the implementation of critical and demanding speedy implementation tasks, their cost will be less than the amount stipulated in the law on the republican budget for the relevant planning period, the remaining amount is redistributed between budget investments within a budget program of the appropriate administrator of budget programs or eliminated by clarifying or adjusting the budget in the prescribed manner.
14. Procedure for planning and implementation of budget investments is determined by the Government of the Republic of Kazakhstan.
Footnote. Article 151, as amended by the Laws of the Republic of Kazakhstan dated 19.01.2011 No. 395-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 24.11.2011 No. 495-IV (the order of enforcement see Art. 2), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 152. The development of investment proposals

1. Investment proposals are developed by administrators of budget programs and entered into the central or local authorized bodies for the state planning.
2. Investment proposals are subject to industry expertise.
3. Administrators of budget programs shall are liable under the laws of the Republic of Kazakhstan, for the validity of the submitted investment proposals.
4. The central or local authorized body for the state planning shall prepare the economic

opinion on the investment proposal.

Result of economic opinion of the central or local authorized body for the state planning is to determine the type and possible ways of financing of the state investment projects from the budget.

5. Administrators of budget programs according to the economic opinion of the central or local authorized body for the state planning provide the activities for the preparation of investment project in accordance with the legislation of the Republic of Kazakhstan.

6. Order of development and adjustment, provision of the necessary examinations of investment proposals and selection of budget investments is determined by the Government of the Republic of Kazakhstan.

Article 153. Planning of budget investment projects

1. Planning of budget investment projects is carried out in three stages:

1) development and conduct of expertise of investment proposals;

2) development or adjustment, as well as conducting of the necessary expertise of feasibility of the budget investment projects, except for projects that do not require the development of a feasibility study;

3) selection of budget investment projects at the stage of development budget.

2. Budget investment projects, aimed at implementation of critical and demanding speedy implementation tasks with positive proposals of the Republican budget commission, are included in the draft budget with the suspensive condition of representing by the administrators of budget programs the missing documentation before clarification or adjustment of the republican budget.

3. Administrators of budget programs make the feasibility studies to the central or local authorized bodies for the state planning, based on economic findings on the investment proposal of the state investment project on the reasonability of the implementation of the budget investment project.

4. Projects that are technically uncomplicated, the construction of which is supposed to be by typical projects, typical design decisions and re-use projects, the development of a feasibility study is not required.

The list of projects that do not require the development of a feasibility study, is developed by the authorized body for architecture, urban planning and construction, and approved by the Government of the Republic of Kazakhstan.

5. Consideration and selection of budget investment project are carried out by the central or local authorized body for the state planning on the basis of a feasibility study, developed in accordance with the order of development or adjustments, as well as passing the necessary expertise of the feasibility study of the budget investment project, defined by the Government of the Republic of Kazakhstan.

Consideration and selection of projects that are technically simple, the construction of which is supposed to be by typical projects, typical design decisions and re-use projects, are carried out under the consideration of the investment proposal.

6. The central or local authorized body for the state planning considers the budget investment projects of administrators of budget programs and directs the economic opinion on them to the administrator of budget programs.

7. The basis for inclusion in the draft budget of the budget investment projects, except as specified in paragraph 13 of Article 151 of this Code, shall be the presence of:

the positive economic opinion on the investment proposal of the state investment project on the reasonability of further implementation of the budget investment project;

the approved in the established order feasibility study of the budget investment project, except for projects that do not require the development of a feasibility study;

the positive proposals of an appropriate budget commission.

8. Feasibility study of the budget investment project contains the results of a

feasibility study and the efficiency of the budget investment project, conducted on the basis of economic cost-benefit analysis.

In the case of change the established technical and economic parameters of the budget investment project, entailing the changes to the technical solutions and the additional costs, the adjustments of feasibility study of the budget investment project is carried out, followed by passing the necessary expertise in accordance with the legislation of the Republic of Kazakhstan.

9. For investment projects, approved by the budget commissions, contained in the investment proposals with the economic opinion, the central or local authorized body for the state planning, shall form the list of budget investment projects, the development or adjustment, as well as passing the necessary expertise of feasibility studies of which are carried out at the expense of the appropriate distributed budget program of the central or local authorized body for the state planning.

Period of application of funds, allocated for the development of a feasibility study for the distributed budget program of the central or local authorized body for the state planning, may be more than one year but not more than the period specified in the proposal of the relevant budget commission.

10. To confirm the established technical and economic parameters of the budget investment project the feasibility study shall be subject to economic and other expertise, prescribed by the legislation of the Republic of Kazakhstan.

Note of the RCLI!

Paragraph 11 shall be enforced from 24.04.2004 and shall be valid in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (the order of enforcement see Art. 2).

11. On implemented budget investment projects, approved in the relevant budget without complying with the procedures, set out in this Article, the economic expertise and opinion, is not required.

12. Economic expertise of the budget investment project, is based on the industry expertise, other expertise, required under the legislation of the Republic of Kazakhstan, as well as is a comprehensive assessment of the economic analysis of the budget investment project .

13. Economic expertise of the budget investment projects, planned for implementation in other states, as well as not providing for the construction activity, is conducted on the basis of a feasibility study and conclusion to it the expertise of the body involved.

14. Economic expertise of the republican budget investment projects is made by a legal entity, established by the Government of the Republic of Kazakhstan.

15. Economic opinion on the republican budget investment projects is prepared by the central authorized body for the state planning, based on the opinion of economic expertise of the legal entity, determined by the Government of the Republic of Kazakhstan.

16. Economic expertise of the feasibility study of the local budget investment projects, as well as the local budget investment projects planned for financing through the loans from the republican budget and the targeted transfers to development, is carried out by legal entities, as defined by the local executive bodies.

17. Economic opinion of the local economic budget investment projects, as well as the projects, planned for funding through the targeted transfers to development and the loans from the republican budget, is prepared by the local authorized bodies for the state planning based on the opinion of economic expertise of the legal entities, defined by the local executive bodies.

18. Legal entities, defined on the implementation of economic expertise of the budget investment projects shall be liable in accordance with the laws of the Republic of Kazakhstan for the quality of the economic expertise of the proposed decisions on the implementation of the budget investment project.

19. If necessary, the legal entities, defined to implement economic expertise, shall require additional expertise on issues, not covered by the provided expertise.

20. Upon results of the economic opinion, the feasibility study of the budget investment project is approved by the administrator of budget programs.

21. Procedure for consideration, selection of budget investment projects, including those that not requiring a feasibility study, as well as suggesting an increase in the estimated cost , is determined by the Government of the Republic of Kazakhstan.

Article 154. Planning of budget investments through the state participation in the authorized capital of the legal entities

1. Planning of budget investments through the state participation in the authorized capital of legal entities is carried out in three stages:

1) development and conducting the expertise of investment proposals;

2) development or adjustment, as well as passing the necessary expertise of the financial feasibility studies;

3) selection of the budget investments through the state participation in the authorized capital of the legal entities at the development of budget.

2. Administrators of budget programs make the financial and economic feasibility studies to the central or local authorized body for the state planning based on economic findings on the investment proposal of the state investment project on the feasibility of implementation of the budget investments through the state participation in the authorized capital of legal entities.

Financial and economic study of budget investments is a document, containing the information on the feasibility, validity and evaluation of results from the investment budget in the authorized capital of legal entities.

Increase in the authorized capital of a legal entity at the expense of budget funds is allowed for the development of a legal entity.

In case of change of the established financial and economic parameters of budget investments through the state participation in the authorized capital of legal entities, entailing the addition and (or) change the events, technical and technological solutions, increasing the expenses, provided for the approved activities, the adjustments to the financial and economic feasibility of budget investments is carried out, followed by the necessary expertise in accordance with the legislation of the Republic of Kazakhstan.

Approval of the adjusted financial and economic feasibility of budget investments is not allowed without consideration and proposals of the budget commission.

3. In the implementation of budget investments through the state participation in the authorized capital of the national holdings and national management holding, the administrators of budget programs that do not have the right to ownership and use of the state shares of the legal entities, in accordance with the decision of the Government of the Republic of Kazakhstan may pay for issue of shares of the national holdings and national management holding.

These administrators of the republican budget programs provide planning, justification and implementation of the relevant budget programs, reporting, monitoring and evaluation of the results thereof in accordance with this Code.

4. The central or local authorized body for the state planning selects the budget investments, planned through the state's participation in the authorized capital of legal entities, on the basis of proposals of administrator of the budget programs and economic opinion, except in cases, provided for in paragraph 6 of this Article, and directs the opinion to the relevant budget commission.

5. Economic opinion on budget investments, planned through the state's participation in the authorized capital of legal entities at the expense of the republican budget, is prepared on the basis of the opinion of economic expertise of the legal entity, determined by the Government of the Republic of Kazakhstan.

6. Budget investments, planned for implementation through the state's participation in the authorized capital of legal entities, aimed at the implementation of critical and demanding

speedy implementation tasks with positive proposals of the Republican budget commission, are included in the draft budget with the suspensive condition on submission by the administrators of budget programs the missing documentation to clarify or adjusting the republican budget from the date of the positive proposals of the Republican budget commission.

Note of the RCLI!

Paragraph 7 shall be enforced from 24.04.2004 and shall be valid until 31.12.2011 in accordance with the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (the order of enforcement see Art. 2).

7. For budget investments, implemented through the state participation in the authorized capital of legal entities, approved in the relevant budget without complying with the procedures, set out in this Article, the economic expertise and conclusion is not required.

8. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of the republican budget, is carried out by a legal entity, established by the Government of the Republic of Kazakhstan.

9. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of local budgets, as well as budget investments, planned to funding through the targeted transfers to development, is prepared based on the report of the economic expertise of the legal entities, defined by the local executive bodies.

10. Economic expertise of budget investments, planned for implementation through the state participation in the authorized capital of legal entities at the expense of local budgets , is carried out by legal entities, as defined by local executive bodies.

11. Legal entities, defined on the implementation of economic expertise of budget investments through the state participation in the authorized capital shall be liable in accordance with the laws of the Republic of Kazakhstan for the quality of the economic expertise of the proposed decisions on the implementation of the budget investments through the state participation in the authorized capital.

12. According to the results of economic opinion on the budget investments through the state participation in the authorized capital of legal entities, the feasibility study of budget investments is approved by the administrator of budget programs.

13. Procedure and terms of development or adjustment of financial and economic feasibility of budget investments, as well as selection of budget investments that planned for implementation through the state participation in the authorized capital of legal entities, are established by the Government of the Republic of Kazakhstan.

Article 155. Planning of the concession projects

Planning of the concession projects is carried out in three stages:

1) the development and selection of concession proposals;

2) the development or adjustment, as well as the necessary expertise of the feasibility study of concession projects;

3) the conclusion of the concession contract.

Article 155-1. The development and selection of concession proposals

Note of the RCLI!

Article 155-1 is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced from 01.01.2014).

1. The development and selection of concession proposals are carried out in accordance with the legislation of the Republic of Kazakhstan on concessions.

Note of the RCLI!

Paragraph 2 shall be enforced from 03.05.2010 (see Art. 2 of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV).

2. The authorized state bodies of the relevant industry and the local executive bodies are responsible under the Laws of the Republic of Kazakhstan, on the validity of the concession proposals.

3. The central authorized body for state planning shall prepare an opinion on the concession proposal on the basis of an expertise of the specialized organization for the concession issues.

The central authorized body for the state planning on the basis of the request of the administrator of budget programs shall form an opinion on the concession proposals for development or adjustment, as well as conducting the necessary expertise of the tender documentation of concession projects and submit them to the Republican budget commission.

The local authorized bodies for the state planning upon the request of the administrator of budget programs and the conclusion of the central authorized body for the state planning shall form the conclusion on concession proposals for development or adjustment, as well as conducting the necessary expertise of the tender documentation of concession projects, and submit them to the relevant budget committee.

4. The central or local authorized body for state planning shall form the list of concession projects, the development or adjustment, as well as the necessary expertise of the feasibility studies of which are carried out at the expense of the corresponding distributed budget program of the central or local authorized body for state planning on the concession projects, approved by the budget commissions, contained in the concession proposals.

Footnote. Article 155-1, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Note of the RCLI!

Article 155-2 is provided in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced from 01.01.2014).

Article 155-2. The development or adjustment, as well as conducting the necessary examinations of the tender documentation of concession projects

1. For concession projects, approved by budget commissions, contained in the concession proposals, the development or adjustment of the tender documentation of concession projects, including the development or adjustment feasibility study of concession projects that are an integral part of the tender documentation of concession project are made.

Period of application of funds, allocated for the development or adjustment of the tender documentation of concession projects on distributed budget program of the central or local authorized body for the state planning, may be more than one year but not more than the period specified in the proposal of the relevant budget commission.

2. Financing for the development or adjustment of the tender documentation of concession projects are financed at the expense of the relevant distributed budget program of the central or local authorized body for the state planning.

For the development or adjustment of the tender documentation of the republican concession projects, the legal entities, determined by the Government of the Republic of Kazakhstan are involved, except in cases provided for in paragraph 7 of this Article.

For the development or adjustment of the tender documentation of the local concession projects, the legal entities, defined by the local executive body or the Government of the Republic of Kazakhstan are involved, except in cases provided for in paragraph 7 of this Article.

3. The central authorized body for the state planning shall send the tender documentation of concession projects, including a feasibility study for the concession project that is an integral part of the tender documentation of concession project, for expertise in a specialized organization for the concession issues.

4. The central authorized body for the state planning on the basis of the relevant expertise in accordance with the legislation of the Republic of Kazakhstan on concessions shall form an opinion on the tender documentation of concession project and submit them for consideration to the Republican budget commission.

5. The local authorized body for the state planning on the basis of the relevant expertise and approvals in accordance with the legislation of the Republic of Kazakhstan on concessions shall form an opinion on the tender documentation od concession project and submit them for consideration to the relevant budget commission.

6. The state concession obligations without considering the relevant budget commission shall not be included in the tender documentation.

7. On projects that have the developed design and estimate documentation, as well as are not technically uncomplicated, implemented on the basis of typical designs, typical project solutions and re-use projects, the development of feasibility study is not required.

Development or adjustment of the tender documentation is available with reference of the design and estimate documentation to the specific site of the concession, taking into account the marketing, financial and economic parameters of concession project, contained in the concession proposal.

8. Requirements for the development or adjustment, as well as conducting the necessary expertise of the feasibility study of concession project are determined by the Government of the Republic of Kazakhstan.

Footnote. Article 155-2 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2014).

Article 155-3. Advisory support of concession projects

1. The advisory support of concession projects is carried out within the distributed budget program of the central or local authorized body for state planning, in the manner determined by the Government of the Republic of Kazakhstan.

2. The central or local authorized body for state planning shall submit the conclusion for the provision of advisory support of concession projects to the appropriate budget commission.

3. In terms of financing of services to advisory support of each concession project, approved by the budget commission, the central or local authorized body for the state planning shall form a list of services to advisory support of concession projects, that are financed at the expense of the relevant distributed budget program of the central or local authorized body for the state planning.

For advisory support of the republican concession projects, if necessary, the legal entities determined by the Government of the Republic of Kazakhstan are involved.

For advisory support of the local concession projects, if necessary, the legal entities determined by the local executive body or the Government of the Republic of Kazakhstan are involved.

Footnote. Article 155-3 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced from 01.01.2014).

Article 156. Basis for adoption of the state concession obligations

Adoption of the state concession obligations is executed by signing the concession agreements.

Basis for adoption of the state concession obligations is:

1) a protocol of negotiations, if any available;

2) a proposals of the commission for the concession, established in accordance with the legislation of the Republic of Kazakhstan on concessions, on determination of the winner of the contest;

3) budget commission’s proposals on the adoption of the state concession obligations.

Procedure for submission, review and selection of concession projects is determined by the Government of the Republic of Kazakhstan.

Article 156-1. The planning of budget investments, implemented through the contribution of the targeted investments of the founder to the development of autonomous educational organizations

Footnote. Article 156-1 is excluded by the Law of the Republic of Kazakhstan dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 31. IMPLEMENTATION OF BUDGET INVESTMENTS

Footnote. Title of Chapter 31 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 157. Implementation of the budget investment projects

1. The budget investment projects are implemented in accordance with their duly approved feasibility studies.

2. The construction activity, envisaged within the framework of the budget investment projects is carried out in accordance with the duly approved design estimate documentation.

3. The construction activity on the territories of foreign countries, envisaged within the framework of the budget investment projects, is carried out in accordance with the design estimate documentation, approved in accordance with the legislation of the State, in whose territory the project is implemented.

4. The development of a model project is made for the investment projects with the common technical specification.

Funding for the design and conduct of examinations of model projects is made at the expense of the relevant budget program of the authorized body for architecture, town planning and construction.

The use of model projects in the implementation of the budget investment projects is carried out by binding to the particular construction site.

5. The increase in the estimated cost of the budget investment projects in connection with the adjustment of design and estimate documentation, or the inclusion of the additional components to it, that entail the additional budget expenditures, not provided in the approved feasibility study or the typical project of the budget investment project is not allowed without the consideration and proposal of the budget commission.

6. The development of design and estimate documentation for budget investment projects,

not included in the republican or local budgets is not allowed.

7. Excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

8. Is excluded by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

9. For the completed investment projects, financed at the expense of the republican budget, the evaluation of implementation of the investment projects is carried out by the body, authorized by the Government of the Republic of Kazakhstan.

The evaluation of implementation of the investment projects, financed from the local budget, including the targeted transfers from the republican budget, is carried out by the body , authorized by the local executive body.

10. The monitoring of the implementation of budget investment projects is carried out by the central authorized body for budget planning in the period of creation (construction) of new and reconstruction of existing facilities.

The procedure for monitoring of implementation of the budget investment projects is developed by the central authorized body for budget planning and approved by the Government of the Republic of Kazakhstan.

The evaluation of implementation of the budget investment projects is carried out by the central authorized body for state planning.

The central authorized body for state planning shall involve the legal entity, defined by the Government of the Republic of Kazakhstan for the evaluation of implementation of the budget investment projects.

The procedure for evaluation of budget investment projects developed by the central competent authority under the state plan and approved by the Government of the Republic of Kazakhstan.

11. The monitoring and evaluation of implementation of the local budget investment projects and the projects, implemented through the targeted transfers for development from the republican budget, are carried out by the local authorized body for state planning.

Footnote. Article 157, as amended by the Law of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 158. The implementation of concession projects

1. Concession projects are implemented on the basis of a concession agreement in accordance with the Law of the Republic of Kazakhstan “On Concessions”.

2. Monitoring the implementation of concession projects is carried out by the central authorized body of the relevant industry during the creation (reconstruction) of the concession and their subsequent operation.

3. Evaluation of the implementation of concession projects is implemented by the authorized body for the state planning.

When assessing the implementation of concession projects the authorized by for the state planning shall attract the legal entity, defined by the Government of the Republic of Kazakhstan.

4. Procedure for monitoring and evaluating the implementation of concession projects is determined by the Government of the Republic of Kazakhstan.

Footnote. Article 158 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 159. The implementation of budget investments through the participation of the state in the authorized capital of legal entities

1. The budget investments through the participation of the state in the authorized capital of legal entities shall be made by the Government of the Republic of Kazakhstan and the local executive bodies in accordance with the legislation of the Republic of Kazakhstan.

1-1. The budget investments through the participation of the state in the authorized capital of legal entities are implemented in accordance with the duly approved feasibility studies.

2. The transfer of money to increase the authorized capital of legal entities with the state's participation in the authorized capital and the increase in the authorized capital of their subsidiaries to pay for the shares of legal entities, shall be made after the state registration of the issue of shares (securities), confirmed by the certificate of the authorized body, responsible for the regulation and supervision of the securities market.

The transfer of money by the quasi-public sector entity to increase the authorized capital of subsidiaries, affiliates and its affiliated organizations in the payment of authorized shares (securities), shall be carried out within ten working days from the date of receipt of the money, allocated for the financial year in the Law on the republican budget, or in the decision of maslikhat on the local budget, on the accounts of the quasi-public sector entity.

3. The monitoring of implementation of the budget investments through the state's participation in the authorized capital of legal entities is carried out by the central authorized body for budget planning.

The evaluation of implementation of the budget investments through the state's participation in the authorized capital of legal entities is carried out by the central authorized body for state planning.

The central authorized body for state planning shall involve the legal entity, defined by the Government of the Republic of Kazakhstan for the evaluation of implementation of the budget investments through the state's participation in the authorized capital of legal entities.

The procedure for evaluation of implementation of the budget investments through the state's participation in the authorized capital of legal entities is developed by the central authorized body for state planning and approved by the Government of the Republic of Kazakhstan .

4. The monitoring and evaluation of implementation of the local budget investments through the state's participation in the authorized capital of legal entities and the investments, implemented through the targeted transfers for development from the republican budget, are carried out by the local authorized body for state planning.

Footnote. Article 159, as amended by the Laws of the Republic of Kazakhstan dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication), dated 13.06.2013 No. 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

SECTION 9. STATE CONCESSION LIABILITIES

Footnote. Section 9 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 32. STATE CONCESSION LIABILITIES

Article 160. General provisions on the concession liabilities

1. The acceptance of the state concession liabilities by the Government of the Republic of Kazakhstan and the local executive bodies is implemented in accordance with the budget legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on concessions.

2. The state concession liabilities are divided into:

1) the state concession liabilities of the Government of the Republic of Kazakhstan;

2) the state concession liabilities of the local executive bodies.

3. The execution of the concession liabilities by the Government of the Republic of Kazakhstan is carried out at the expense of the republican budget.

4. The execution of the state concession liabilities of the local executive bodies is carried out at the expense of the local budgets.

5. The Government of the Republic of Kazakhstan and the local executive bodies are not liable for the state concession liabilities of each other.

6. The state concession liabilities of the Government of the Republic of Kazakhstan and the local executive bodies shall be deemed as fulfilled by the full payment for the state concession liabilities under the concluded concession contracts.

7. The procedure for compensation of the investment costs on the concession projects is identified by the Government of the Republic of Kazakhstan.

7-1. Methods of determining the limits of state concession liabilities of the Government of the Republic of Kazakhstan and the local executive bodies shall be approved by the Government of the Republic of Kazakhstan.

Footnote. Article 160, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 161. Accounting and monitoring of the state concession liabilities

1. The state concession liabilities are subject to the registration and recording in the authorized body for budget execution in the manner, prescribed by the Government of the Republic of Kazakhstan.

2. The central authorized body for budget execution shall monitor the state concession liabilities of the Government of the Republic of Kazakhstan.

3. The local authorized bodies for budget execution shall monitor the state concession liabilities of the local executive bodies.

4. The monitoring of the state concession liabilities shall be carried out in the order, established by the Government of the Republic of Kazakhstan.

Article 162. The acceptance and implementation of the state concession liabilities by the Government of the Republic of Kazakhstan

1. The acceptance of the state concession liabilities by the Government of the Republic of Kazakhstan is based on:

1) the formation of the list of objects, offered for concession for the planning period;

2) the establishment of the financial boundaries and priorities in acceptance of the state concession liabilities;

3) the concluded concession contract.

2. The acceptance of the state concession liabilities by the Government of the Republic of Kazakhstan is carried out by the central authorized body for budget execution on the basis of the decision of the Government of the Republic of Kazakhstan for each individual concession project.

3. The acceptance of the state concession liabilities by the Government of the Republic of Kazakhstan is restricted by the limit, specified in the Law on the republican budget.

4. The execution of the state concession liabilities by the Government of the Republic of Kazakhstan is carried out by the central authorized body for budget execution at the expense of the budget funds, provided in the Law on the republican budget.

Footnote. Article 162, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 33. THE STATE CONCESSION LIABILITIES OF THE LOCAL EXECUTIVE BODIES

Article 163. Acceptance of the state concession liabilities by the local executive bodies

1. The acceptance of the state concession liabilities by the local executive bodies is based on:

1) the formation of the list of objects, offered for concession for the planning period;

2) the establishment of the financial boundaries and priorities of acceptance of the concession liabilities;

3) the concluded concession contract.

2. The acceptance of the state concession liabilities by the local executive bodies is carried out by the local authorized body for budget execution on the basis of the decision of maslikhat of the region, the city of republican significance and the capital for each individual concession project.

Footnote. Article 163, as amended by the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 164. The limitation for acceptance of the state concessions liabilities by the local executive bodies

1. The acceptance of the state concession liabilities by the local executive body is limited by the established limit for the state concession liabilities of the local executive body.

2. The limit for the state concession liabilities of the local executive body is established by the Government of the Republic of Kazakhstan.

Article 165. The execution of the state concession liabilities by the local executive bodies

The execution of the state concession liabilities by the local executive bodies is carried out by the local authorized bodies for budget execution at the expense of the local budgets.

Footnote. Article 165 is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

SECTION 10. GRANTS

Chapter 34. GENERAL PROVISIONS ON THE UNTIED AND TIED GRANTS

Article 166. Untied grants

The attraction, use, monitoring and evaluation of the use of the untied grants are carried out in the manner, determined by the Government of the Republic of Kazakhstan.

Article 167. Planning of the tied grants

1. Planning of the tied grants is an activity of the central state bodies on the formation, implementation and selection of applications to attract the tied grants, based on the proposals of the donors to provide the free financial and technical assistance.

2. Applications for the attraction of the tied grants are submitted by the central state bodies based on the requests of the local representative and executive bodies to the central authorized body for state planning in the manner, determined by the Government of the Republic of Kazakhstan.

3. The selection of applications to attract the tied grants is carried out by the central authorized body for state planning on the basis of:

1) the compliance of the application for the attraction of the tied grants with the priorities of social and economic development of the Republic of Kazakhstan;

2) the compliance of the application for the provision of the tied grants with the policy of provision of the tied grants by donors.

4. The central authorized body for state planning shall form the list of applications for the attraction of the tied grants, approved by the Government of the Republic of Kazakhstan on the basis of the selected applications for the attraction of the tied grants.

Article 168. The attraction of the tied grants

1. The central authorized body for state planning based on the list of applications for the attraction of the tied grants shall direct the applications for the provision of the tied grants to donors.

2. Filling the applications for the provision of the tied grants is carried out by the appropriate central state or local representative or executive bodies based on the request of the central authorized body for state planning in the form, prescribed by donors.

To address to the donors without the consent of the central authorized body for state planning is prohibited.

3. In the case of approval of the application for the attraction of the tied grants by the donor, the feasibility of its attraction is determined by the appropriate budget commissions.

The central authorized body for state planning shall form the list of applications for the attraction of the tied grants and submit it to the consideration of the republican budget commission, and send it to the local executive bodies for the organization of work on submitting the applications to the consideration of the respective budget commissions.

4. The agreement on the tied grants is made after the approval of the republican or local budgets.

Chapter 35. THE USE OF THE TIED GRANTS

Article 169. The use of the tied grants

1. The use of the tied grants is provided und er a separate budget program and carried out by the state organizations-grant recipients, in accordance with the agreement on the tied grant and the legislation of the Republic of Kazakhstan.

2. The state organizations-grant recipients of the tied grants shall:

1) timely perform its obligations, specified by the agreement on the tied grant;

2) ensure the appropriate and effective use of the received tied grants;

3) provide the entering on the balance of the equipment and materials, purchased at the expense of the tied grants;

4) timely perform the customs declaration for import of goods, purchased at the expense of grants;

5) monthly provide the information on the use of the tied grants to the authorized body for budget execution.

3. At the conclusion of using of the tied grants, the state organizations-grants recipients shall submit a final report on the use of the tied grant, signed by the authorized representative of the donor and the first head of the central state or the local representative and executive bodies, on the request of which the attraction of the tied grant is carried out, to the central authorized body for state planning.

Footnote. Article 169, as amended by the Law of the Republic of Kazakhstan dated 30.06.2010 No. 297-IV (shall be enforced from 01.07.2010).

Article 170. Monitoring and evaluation of the use of tied grants

1. Monitoring of the use of tied grants shall include:

1) the collection and processing of information on the progress and results of the use of tied grants by the central state and the local representative and executive bodies;

2) the presentation of the reports on the progress and results of the use of tied grants to the central authorized body for state planning and execution of the budget, by the central state and the local representative and executive bodies.

2. The order and timing of the presentation and the form of reporting and the requirements to the information on the progress and results of the use of tied grants are determined by the central authorized body for state planning and execution of the budget.

3. The evaluation of the use of tied grants is carried out by the central authorized body for state planning based on the monitoring of the use of tied grants and provides:

The evaluation of the feasibility for attraction of tied grants;

The comparison of planned and achieved results of the use of tied grants, as well as the analysis of their impact on the social and economic development of the republic and the region;

The evaluation and analysis of the various external factors that influenced to the use of tied grants.

4. The central authorized body for state planning shall form the summary report on the use of tied grants, based on the results of their evaluation, and submit it to the Government of the Republic of Kazakhstan no later than April 1 of the year, following the reporting year.

SECTION 11. BUDGET CREDITING

Chapter 36. GENERAL PROVISIONS OF THE BUDGET CREDITING

Article 171. The basic provisions of the budget crediting

1. The budget crediting is a process that involves the decision-making procedures on the provision, use, servicing and repayment of the budget loan.

2. The credit agreement is an agreement between the lender, the administrator of budget program and the borrower, establishing the relationship of the parties in the provision, use, servicing and repayment of the budget loan.

3. The budget loans are not granted for the purposes of participation in the authorized capital of legal entities, covering the losses of economic activities of the borrowers and to the payment of fees to attorneys (agents).

4. The budget loans are subject to the following conditions:

1) the absence of tax debts;

2) the availability to enforce the obligations of the borrower under the budget loan;

2) the lack of indebtedness of the borrower on the earlier budget loans.

Article 172. The principles of budget crediting

The provision of budget loans shall be in accordance with the following principles:

1) the repayment, providing the mandatory redemption of budget loan in accordance with the loan agreement;

2) the provision, providing the enforcement for fulfillment of the obligations by the ways, established by the legislation of the Republic of Kazakhstan;

3) the payment, providing the payment of remuneration by the borrower for the provision of budget loan;

3) the urgency, providing the establishment of the term for the provision of budget loan.

Article 173. Budget crediting criteria

The budget loans are granted in compliance with the following criteria:

1) the economic and social efficiency of implementation of the activities through the budget crediting;

2) the return of measures, implemented at the expense of budget loan;

3) the creditworthiness of the borrower, in accordance with the criteria, established by the Government of the Republic of Kazakhstan.

Article 174. The subjects of budget crediting

1. The subjects of budget crediting are the lender, the administrator of budget program, the borrower, the sub borrower and the attorney (agent).

2. The rights and obligations of the subjects of budget crediting are defined in the loan agreement and (or) in the contract of agency, in accordance with this Code and other legislative acts of the Republic of Kazakhstan.

Article 175. Creditor

1. The creditor is a party of the loan agreement, providing the budget loan in accordance with the budget and civil legislation of the Republic of Kazakhstan.

2. The creditor in the budget crediting from the republican budget is the Government of

the Republic of Kazakhstan.
The creditor on behalf of the Government of the Republic of Kazakhstan in the budget crediting is the central authorized body for budget execution.
3. The creditor in the budget crediting from the local budget is the appropriate local executive body.
4. The creditor provides the budget crediting in accordance with this Code and the legislation of the Republic of Kazakhstan, and supervises the execution of the conditions of the loan agreement.

Article 176. The administrator of budget programs as a subject of the budget crediting

The administrator of budget program in the budget crediting is a party of the loan agreement and provides:
1) the determination on a competitive basis of the specialized organizations and attorneys (agents), with the exception of the financial agencies;
2) the control and monitoring of the appropriate and effective use, repayment and servicing of budget loans.

Article 177. Borrowers

1. The borrower is a party of the loan agreement, receiving the budget loan, which has the obligations to repay the principal and interest payment, and other payments under the loan agreement.
2. The borrowers are:
1) the specialized institutions - the banks, companies, engaged in certain types of banking operations, as well as the organizations, a majority stake of which belongs to the state or national holding company or the national management holding company, which are residents of the Republic of Kazakhstan;
2) the local executive bodies;
3) the foreign states;
4) the individuals;

Article 178. Sub borrowers

1. The sub borrower is the final recipient of the budget loan, given to him (her) by a specialized organization under the conditions, specified by the creditor or financial agency.
2. The sub borrowers may be the individuals or legal entities, who are the residents of the Republic of Kazakhstan, carrying out the business activities.
3. The selection and crediting of the sub borrowers are carried out by the specialized organizations in accordance with the purpose of the budget program, as well as their own credit policies.

Article 179. Attorneys (agents)

1. The attorney (agent) is an individual who, on the basis of the contract of agency performs on behalf of and for the account of the creditor (grantor) and in accordance with his (her) instructions the specific assignments, related to the budget crediting.
2. The attorney (agent) on behalf of a creditor (grantor) can perform the following actions:

1) the service of budget loans;
2) the calculations with the borrowers;
3) the monitoring of financing and the implementation of budget investment projects;
4) the monitoring of the financial condition of borrowers;
5) the debt collection in accordance with the legislation of the Republic of Kazakhstan;
6) the determination of individual borrowers and conclusion of the loan agreements with them.

3. The attorneys (agents) are the bank, organization, performing the certain types of banking operations, or the organization, a majority stake of which belongs to the state or national holding company or the national management holding company, which are the residents of the Republic of Kazakhstan.

4. The attorney (agent) is determined by the authorized body for budget execution or by the administrator of budget program in accordance with the legislation of the Republic of Kazakhstan on public procurement, with the exception of the financial agency.

5. The payment of remuneration to the attorney (agent) for the execution of the order is carried out by the administrator of budget program at the expense of the appropriate budget.

The amount of payment of remuneration for the performance of orders by the attorney (agent) is established in the order agreement.

Chapter 37. THE CONDITIONS OF BUDGET CREDITING

Article 180. The main conditions of the loan agreement

1. The loan agreement must contain the following main conditions of budget crediting:
1) the purpose of the provision;
2) the amount;
3) the currency;
4) the term;
5) the development period;
6) the rate of remuneration.

2. The main conditions of the budget loan and the category of borrowers shall be determined by the decision of the creditor.

3. The additional conditions, including the conditions, determining the method for the provision of budget loan, the repayment schedule and budget loan service, the methods to ensure the fulfillment of obligations under the budget loan, are included in the loan agreement.

Article 181. The term of budget loan

1. The term of budget loan is a period of time, during which the borrower receives, uses, maintains and repays the budget loan.

2. The term of budget loan is calculated from the date of transfer of the budget loan funds from the account of the creditor.

3. Depending on the term, the budget loans are divided into the following types,:
1) a short-term - up to 1 year;
2) a medium-term - from 1 year to 5 years;
3) along-term - from 5 to 30 years.

Article 182. The development period of budget loan

The development period of budget loan is the period of time, during which the borrower can use the budget loan for the implementation of measures, in accordance with the objectives of the budget loan.

Article 183. The methods of enforcement for the performance of obligations under the budget loan

1. The performance of obligations under the budget loan is secured by a pledge, guarantee , surety ship or other means, provided by the legislation of the Republic of Kazakhstan or the contract.

The budget loans from the republican budget can be allocated to the local executive bodies and the financial agencies, the list of which is determined by the Government of the Republic of Kazakhstan without the enforcement of obligations.

The order for inclusion of the financial agencies in the list of financial agencies that receive the budget loans from the republican budget without security is determined by the Government of the Republic of Kazakhstan.

2. The cost of enforcement for returning the budget loan should not be less than the amount of the budget loan with the amount of the remuneration.

3. The evaluation of performance of the obligations under the budget loan is carried out in accordance with the legislation of the Republic of Kazakhstan.

The payment for evaluation services to ensure the performance of the obligations under the budget loan is made by the borrower.

Footnote. Article 183, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 16.02.2012 No. 557-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 184. The rate of remuneration

1. The remuneration is the payment, made by the borrower for the use of budget loan.

2. The rate of remuneration is the amount of interest, expressed as a percentage per annum.

3. The rate of remuneration can be fixed or floating.

The fixed rate of remuneration is the rate of remuneration, the amount of which is set constant for the duration of the budget loan.

The floating rate of remuneration is the rate of remuneration, the amount of which varies depending on the situation on the financial market.

4. The average weighted rate of return is the average weighted rate of remuneration on the government securities, issued by the central authorized body for budget execution.

The rate of remuneration on budget loans, except for the rates of remuneration on budget loans to the local executive bodies, financing agencies, is established not less than the average weighted rate of return on the government securities with the circulation period, corresponding to the term of the budget loan.

The procedure for determining the average weighted rate of return on the relevant government securities, issued by the central authorized body for budget execution, is established by the Government of the Republic of Kazakhstan.

Article 185. The methods for providing the budget loan

The budget loans can be provided through:

1) the payment for the payment documents of the borrower;

2) the transfer to the bank account of the borrower a lump sum or in installments according to the schedule listings or as representations of the relevant documents by the borrower.

Article 186. The repayment and servicing schedule of the budget loan

1. The repayment and servicing schedule of the budget loan establishes the terms, the frequency of repayment and servicing of the budget loan.

2. The loan agreement may provide for a grace period.

The grace period is a period of time, which is part of term of the budget loan, in which the borrower is not paying off the loan. The duration of the grace period should not exceed one third of the length of the loan term.

Chapter 38. THE BUDGET CREDITING PROCEDURES

Article 187. Decision-making on the provision of budget loan

Making the decision on providing the budget loan includes:

1) the determination of the feasibility of budget crediting in the manner, specified by the central authorized body for state planning, taking into account the proposals of the central authorized body for budget planning;

2) the consideration by the central and local authorized body for the state planning the budget programs, offered by the administrator of the budget programs to implement trough the budget crediting, for their compliance with the criteria of budget crediting.

Determination of the central authorized body for the state planning of the feasibility of budget crediting of budget investment projects, requiring the development of a feasibility study, and the implementation of state investment policies by financial agencies at the expense of the republican budget, is carried out on the basis of the opinion of economic expertise of a legal entity, defined by the Government of the Republic of Kazakhstan.

Determination of the local authorized bodies for the state planning of the feasibility of budget crediting of budget investment projects, requiring the development of a feasibility study, and the implementation of state investment policies by financial agencies at the expense of the local budget, is carried out taking into account of the opinion of economic expertise.

Economic expertise of budget crediting of budget investment projects, requiring the development of a feasibility study and the implementation of the state investment policies by financial agencies at the expense of the local budget, is carried out by legal entities, defined by the local executive bodies;

3) the consideration of the budget request and the conclusion of the authorized body for budget planning by the budget commission;

4) the development of the proposals by the budget commission for inclusion of the budget program in the draft budget.

Footnote. Article 187 is in the wording of the Law of the Republic of Kazakhstan dated 13.06.2013 № 102-V (shall be enforced upon expiry of ten calendar days after its first official publication), as amended by the Law the Republic of Kazakhstan dated 03.12.2013 No.150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 188. The procedure for providing the budget loan

1. The procedure for providing the budget loan includes the following steps:
1) the determination of the main conditions of the budget loan;
2) the determination of the borrower;
3) the conclusion of the loan agreement and the related agreements;
4) the providing of the budget loan to the borrower.
2. The administrators of budget programs after approval of the relevant budgets submit for approval the draft decisions of the creditor on the main conditions and the category of borrowers of the budget loans.
3. The borrowers are defined:
1) by the attorney (agent) in accordance with the contract of agency under the budget crediting of citizens of the Republic of Kazakhstan;
2) the administrator of budget program on the results of the competition under the budget crediting of the specialized organizations, with the exception of the financial agencies. The order of selection of the specialized organizations is established by the Government of the Republic of Kazakhstan;
3) in accordance with this Code for budget crediting of the local executive bodies;
4) in accordance with the international treaties of the Republic of Kazakhstan for the budget crediting of foreign states.
4. The citizens of the Republic of Kazakhstan receive the budget loans in cases, stipulated by the legislative acts of the Republic of Kazakhstan.
The budget crediting of citizens of the Republic of Kazakhstan is carried out through the attorneys (agents).
5. Providing of the budget loan is carried out after the conclusion and registration of the loan agreements, contracts of agency and documents, confirming the enforcement of obligations under the budget loan.
6. The procedures for the provision of budget loans, including a list of documents, required for their provision, are established by the Government of the Republic of Kazakhstan.

Article 189. Features of crediting of foreign states

1. The budget loans to foreign states are provided from the republican budget, in accordance with the international treaties, ratified by the Republic of Kazakhstan.
2. The budget loans to foreign states are provided, in case of making the domestic procedures, necessary to give the binding force to the international treaty on the provision of the budget loan by a foreign state.
3. The procedure and conditions of budget crediting of a foreign state shall be established by the international treaty on the provision of budget loan.
The principal on the budget loans, provided to foreign states, forms the foreign debt to the Republic of Kazakhstan.

Article 190. The use of budget loan

The borrower uses the budget loan only for the purposes, stipulated by the budget program and the loan agreement.
In the case of use of the budget loan for inappropriate purpose, the borrower shall be responsible in accordance with the Laws of the Republic of Kazakhstan and the conditions of the loan agreement.

Article 191. The service of budget loan

1. The service of budget loan is the activity of the authorized body for budget execution or an attorney (agent) to list the use of budget loan funds and implement by the borrower the payments for principal, interest and other payments in accordance with the conditions of the loan agreement.

The principal is the amount of the received and outstanding budget loan, excluding the accrued interest amounts on it, commission payments, forfeits (fines, penalties).

2. The service of the principal is the aggregate payments of remuneration and other payments in a specific period of time according to the conditions of the loan agreement

Debt is the sum of payments, not provided by the borrower, the period of which comes in accordance with the schedule of repayment and servicing of budget loan (a loan agreement).

3. Accrual of remuneration is made at the rate of remuneration on the principal of the budget loan from the date of transfer of the budget loan from the account of the creditor before the date of its repayment in full.

4. The procedure for calculating the remuneration shall be established in the loan agreement.

360 days a year and 30 days in the month or the actual number of days elapsed in the partial month are taken into account for the accrual of remuneration.

At maturity, the borrower is obliged to make the regular payments of principal and interest by transferring money under the payment order to the appropriate budget.

5. In the formation of the debt, the service of budget loan is made in the following priority of payments:

1) the accrued forfeit (fines, penalties); 2) the accrued interest;

3) the repayment of the principal.

Article 192. Repayment of the budget loan

1. Repayment of the budget loan is the repayment of the principal on the budget loan by the borrower, in accordance with the loan agreement and the legislation of the Republic of Kazakhstan.

2. The borrowers of the budget loan have the right to early repayment of the loan in agreement with the creditor or attorney (agent).

If the borrower violates the conditions of the loan agreement, the creditor or attorney (agent) in accordance with the contract of agency has the right to demand the early repayment of the loan.

The sale of shares of the financial agency, received a budget loan without collateral, is permitted in the case of the provision of the budget loan.

3. If the borrower has the debt on the budget loan, the creditor or attorney (agent), in accordance with the contract of agency, takes measures, to ensure the repayment of the loan in accordance with the legislation of the Republic of Kazakhstan.

4. The property, collected towards debt repayment on the budget loan, is subject to implementation, and (or) treatment in the state ownership in the manner, specified by the Government of the Republic of Kazakhstan.

5. The cost for the evaluation of the property, traded to the state property for the repayment of the budget loan, is paid by the appropriate budget.

6. In the treatment to the state ownership of the property to repay the debt on budget loan, the amount of the creditor’s requirements is reduced to the amount of the property.

7. If the local executive body has the debt for budget loan, allocated from the higher budget, the central or local authorized body for budget execution directs a written instruction to take the measures, provided in subparagraphs 4) of paragraphs 1 and 2 of Article 100 of this Code to the respective unit of the central authorized body for budget execution.

Chapter 39. RESTRUCTURING OF THE BUDGET LOAN AND REPLACEMENT OF THE BORROWER

Article 193. Restructuring of the budget loan

1. Restructuring of the budget loan is the change of the terms, the financial and other conditions of the performance of their obligations by the agreement of the parties under the loan agreement.
2. The decision on the restructuring of the budget loan is made based on the analysis of the financial condition of the borrower, if the borrower has a plan to improve the financial situation.
3. Restructuring of the budget loan is made by:
1) the changes in the period of repayment of principal and (or) payment of remuneration;
2) the capitalization (summary) of debt for the budget loan, remuneration and other payments on the loan.
4. Restructuring of the budget loan is based on the creditor's solutions for each loan agreement with a positive resolution of the consultation and advisory body of the Government of the Republic of Kazakhstan and the local executive bodies.
5. Restructuring of the budget loan may be made not more than once.
Restructuring of the budget loan is issued through the conclusion of a supplementary agreement to the loan agreement.

Article 194. Translation of the debt on the budget loan

Translation of debt on the budget loan is allowed by the agreement of the parties of the loan agreement based on the creditor's solutions.
Transfer of debt can be made by the transfer of property, collected (proposed) to repay the debt on the budget loan.

Chapter 40. LIMITATION OF ACTION, TERMINATION OF CLAIMS OF THE CREDITORS AND TERMINATION OF THE GUARANTEES ON THE BUDGET LOANS

Article 195. Limitation of action

The limitation of action shall not apply to the creditors' claims on the budget loans.

Article 196. Termination of the creditor's claim for repayment of budget loan and termination of guarantees

1. The creditor's claim to repay the budget loan is terminated in the proper performance of the obligations under the loan agreement by the borrower, in the case of coincidence of the borrower and the creditor in one person or the liquidation of the borrower-legal entity under the legislation of the Republic of Kazakhstan or on the basis of a judicial act.
2. The creditor's claim on the state educational and student loans are terminated on the basis of the Law on the republican budget in the event of death of the borrower or declaring him (her) as dead.
3. In case of liquidation of the borrower-legal entity, the termination of the creditor's claim for repayment of the budget loan is carried out after making the preliminary procedures for the assessment of performance of the obligations, provided by the legislation of the

Republic of Kazakhstan on:
1) the budget loans, granted from the republican budget on the basis of the Law on the republican budget;
2) the budget loans, granted from the local budget, based on the decision of maslikhat.
4. The debt of the liquidated borrowers, specified in paragraph 3 of this Article, as well as the debt of borrowers for which, the claims are terminated on the basis of the judicial act, considered as repaid and subject to be written off by the creditor.
5. In the event of termination of the creditor's claim to repay the budget loan to the borrowers, liquidated in accordance with the legislation of the Republic of Kazakhstan, at the same time the guarantees by the relevant budget loans are terminated.
Footnote. Article 196, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Chapter 41. CONTROL, MONITORING, ACCOUNTING OF THE BUDGET LOANS

Article 197. Control for the budget loans

1. The creditor and (or) attorney (agent) shall control the use of budget loan for the intended purpose and the availability of collateral for it in the manner, prescribed by the Government of the Republic of Kazakhstan.
2. In cases of the use of budget loan not for the intended purpose, the creditor or attorney (agent) shall recover the improperly used amount of the loan from the borrower with the imposition of the fine in the amount, specified in the loan agreement.

Article 198. Monitoring and accounting of the budget loans

1. The budget loans are subject to the mandatory registration, accounting and monitoring in the manner prescribed by the central authorized body for budget execution.
The budget monitoring and evaluation of results are carried out for the budget loans in accordance with this Code.
2. The creditors maintain the registers of all the granted budget loans by the borrowers and attorneys (agents).

SECTION 12. THE STATE AND STATE-GUARANTEED BORROWING, DEBT, AND SURETY OF THE STATE

Chapter 42. GENERAL PROVISIONS ON THE STATE AND STATE-GUARANTEED BORROWING, DEBT, AND SURETY OF THE STATE

Article 199. General provisions on borrowing

1. Borrowing of the state-guaranteed borrowing by the Government of the Republic of Kazakhstan and the local executive bodies is made, in accordance with the budget legislation of the Republic of Kazakhstan.
Borrowing by the National Bank of the Republic of Kazakhstan is made in accordance with the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan".
2. Borrowing by the Government of the Republic of Kazakhstan, local executive bodies and the National Bank of the Republic of Kazakhstan is the state borrowing.
3. Non-government borrowing is carried out independently by the residents of the Republic of Kazakhstan in any size, in any currency, and any form within the limitations, established by

the legislation of the Republic of Kazakhstan.

Non-government borrowings may be held by the legal entities under the state guarantees and surety of the state.

4. To the legal entities, with the right to operational management of assets, carry out the non-government borrowing is prohibited.

Article 200. Types and forms of the state loans

1. The state loans in relation to the borrower are divided into:
1) the loans of the Government of the Republic of Kazakhstan;
2) the loans of the National Bank of the Republic of Kazakhstan;
3) the loans of the local executive bodies.
2. The state loans on the capital market are divided into:
1) the external state loans;
2) the domestic state loans.
3. The state loans by the shape of the borrowing are divided into:
1) the issuance of the state securities;
2) the conclusion of the loan agreements.
4. The state securities according to the validity period, are divided into:
1) the short-term with maturities of up to one year;
2) the medium-term with maturities from 1 year to 5 years;
3) the long-term with a maturity of over 5 years.
5. The state securities for purposes of production are divided into:
1) issued to finance the budget deficit;
2) issued to promote the development of domestic debt market.

The state securities may be issued in the certificated and no certificated form. The state securities to the bearer may be issued only in the certificated form. The state securities may be issued at nominal and present value with the fixed and non-fixed (floating) rates of remuneration.

Article 201. State debt

1. State debt is the sum for a certain date of the received (mastered) and outstanding state loans, and debt obligations to a certain date, classified in accordance with the legislative acts of the Republic of Kazakhstan as the debt of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan or by the decisions of maslikhats as the debt of the local executive bodies, without taking into account the mutual claims.

2. State debt includes the domestic and external state debt.

3. Domestic state debt is an integral part of the state debt on the internal state loans and other debt obligations of the Government of the Republic of Kazakhstan, the National Bank of Kazakhstan and the local executive bodies to the residents of the Republic of Kazakhstan.

4. External public debt is a part of the state debt on the foreign state loans and other debt obligations of the Government of the Republic of Kazakhstan and the National Bank of the Republic of Kazakhstan to the non-residents of the Republic of Kazakhstan.

Article 202. The obligations of the Government of the Republic of Kazakhstan and the local executive bodies for the repayment and servicing of the state debt

1. The Government of the Republic of Kazakhstan is liable for repayment and servicing of the state debt, which are provided by means of the republican budget.

2. The local executive bodies are liable for repayment and servicing of its debt, which are provided by means of the local budgets.

3. The Government of the Republic of Kazakhstan and the local executive bodies are not liable for the obligations of each other.

4. The obligations of the Government of the Republic of Kazakhstan and the local executive bodies are considered as fulfilled upon return of principal to the creditor and payment of the full amount of debt service payments.

5. The Government of the Republic of Kazakhstan and the local executive bodies shall monitor the state debt and the debt of the local executive bodies through the implementation of accounting, analysis and monitoring of the process of formation, change and service of the debt .

Article 203. The management of the state and state-guaranteed debt, the debt on the state surety ship and the risks

1. The management of the state and state guaranteed debt, the debt on the state surety ship and the risks include:

1) the annual assessment of the status and forecast for the upcoming planning period of the state and state guaranteed borrowing and debt, the debt on the state surety ship with the definition of indicators in it, in accordance with what the amounts of repayment and servicing, the limits of government debt and the debt of the local executive bodies, provision of the state guarantees and the surety ship of the state are established.

The preparation of the annual assessment of the status and forecast for the upcoming planning period of the state and state guaranteed borrowing and debt, the debt on the state surety ship are carried out by the central authorized body for budget execution and the National Bank of the Republic of Kazakhstan with the participation of the central authorized body for state planning on the basis of the amount and the structure of the accumulated state and state guaranteed debt, the debt on the state surety ship;

2) the identification of the government debt limit, the limits for provision of the state guarantees and the surety ship of the state by the central authorized body for state planning in the manner prescribed by the Government of the Republic of Kazakhstan, and approved in the Law on the republican budget and the debt limit of the local executive bodies, approved by the Government of the Republic of Kazakhstan;

3) the identification of the amounts, forms and conditions of borrowing by the Government of the Republic of Kazakhstan, the amounts of repayment and servicing of government debt, approved in the republican budget for the financial year by the central authorized body for budget execution,;

4) the implementation by the central authorized body for budget execution of the registration and accounting for the state loans in the manner, prescribed by the Government of the Republic of Kazakhstan, and the requirements associated with the performance of its obligations under their guarantees and surety ship, the monitoring for receipt, use, maintenance and repayment of the state loans and the state debt, the state guaranteed debt and the debt on the surety ship of the state, as well as the state requirements, arising in connection with the performance of its obligations under the guarantees and surety ship;

5) the preparation and implementation of measures to optimize the debt structure and its service, including on the early repayment of debt, purchase and sale of the state securities on the organized securities market by the issuer, the restructuring of the state and state guaranteed debt, the debt on the state surety ship, the debt refinancing, the risk management of the state and state guaranteed borrowing and debt, the debt on the state surety ship and the debt to the state;

6) the risk management of the state debt, the state guaranteed debt, the debt under the state surety ship and the debt to the state includes their detection, identification, assessment and mitigation with the use of methods for regulating of procedures and operations

by the central authorized body for budget execution, compliance with the established limits and requirements, diversification of instruments and markets, the use of various derivative financial instruments (options, swaps, forwards, futures and other transactions that are used in the market for the purposes of risk management), as well as the timely response and taking the necessary measures in debt management of legal entities, whose debt obligations to third parties are provided by the state guarantees and sureties.

2. The risk management of the state debt, state guaranteed debt, the debt under the state surety ship and the debt to the state are carried out according to the procedure, established by the Government of the Republic of Kazakhstan.

Footnote. Article 203, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 204. Publication of information on the status of the state and state guaranteed debt, the debt under the state surety ship

The information on the current status of the state debt of the Republic of Kazakhstan, to the amount of money, paid for repayment of the state debt, issued state guarantees and surety ship of the state, and the amounts of money, paid under the guarantees and surety ship is open and subject to the official quarterly publication by the central authorized body for budget execution in the form of statistical information.

Footnote. Article 204, as amended by the Law of the Republic of Kazakhstan dated 19.03.2010 No. 258-IV.

Chapter 43. BORROWING OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN

Article 205. The objectives of borrowing by the Government of the Republic of Kazakhstan

Borrowing by the Government of the Republic of Kazakhstan is carried out:

1) to finance the deficit of the republican budget;

2) to promote the development of the domestic debt market.

In a budget surplus, the Government of the Republic of Kazakhstan can borrow to refinance the government debt.

Article 206. Borrowing of the Government of the Republic of Kazakhstan

1. Borrowing of the Government of the Republic of Kazakhstan is based on:

1) the establishing the objectives and financial limits of borrowing;

2) the determination of borrowing priorities;

3) the formation of the list of alleged government loans.

2. Borrowing funds on behalf of the Government of the Republic of Kazakhstan is carried out by the central authorized body for budget execution on the basis of the decision of the Government of the Republic of Kazakhstan on each individual loan agreement or form of the state securities.

3. The issuer of the state securities of the Government of the Republic of Kazakhstan is the central authorized body for budget execution, which determines the amounts, terms and conditions of each issue of such state securities.

3-1. The Government of the Republic of Kazakhstan issues the state securities in the form of the state treasury bills or the state Islamic securities.

The state treasury bill is the state security, certifying the rights of the holder in respect of the loan, in which the borrower is the Government of the Republic of Kazakhstan.

The state Islamic security is the state security, certifying the right of the holder to receive income from the assets on the basis of the sublease agreement.

The state Islamic security is issued by the decision of the Government of the Republic of Kazakhstan in accordance with the basic principles of Islamic finance, established in accordance with the legislation of the Republic of Kazakhstan on the securities market.

3-2. Issue, placement, handling, servicing and repayment of the state treasury bills, issued by the Government of the Republic of Kazakhstan in the domestic market, shall be in the order, established by the Government of the Republic of Kazakhstan.

4. To promote the development of the domestic debt market, the government domestic borrowing is carried out taking into account the formation of the optimal level of the government borrowing, debt,costs for its maintenance and risk.

The issue of the state securities with the necessary structure to handle for the establishment of an appropriate reference point in the stock market for the construction of the yield curve shall be carried out at a stable level on the originally planned amount and schedule, regardless of the actual performance of the budget, except the cases, when the change of the market conditions, the authorized body for budget execution cannot borrow at reasonable terms.

Footnote. Article 206, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 22.07.2011 No. 475-IV (shall be enforced from the date of its first publication).

Article 207. Limitations of borrowing of the Government of the Republic of Kazakhstan

The state borrowing by the Government of the Republic of Kazakhstan is limited by the limit of the government debt and the amount of the budget funds, devoted to service the government debt, established in the Law on the republican budget.

Article 208. Repayment and service of debt of the Government of the Republic of Kazakhstan

Repayment and service of debt of the Government of the Republic of Kazakhstan, buying the state securities issued by them on the organized securities market are carried out by the central authorized body for budget execution at the expense of the budget funds, provided in the Law on the republican budget, through the National Bank of the Republic of Kazakhstan in the manner, determined by the Government of the Republic of Kazakhstan.

Chapter 44. BORROWING OF THE LOCAL EXECUTIVE BODIES

Article 209. The objectives of borrowing by the local executive bodies

1. Borrowing by the local executive bodies of the regions, the city of republican significance and the capital shall be in the form of borrowing from the Government of the Republic of Kazakhstan and the issue by the local executive bodies of the city of republican significance and the capital of the state securities for circulation in the domestic market to finance the budget deficit of the city of republican significance and the capital.

2. Borrowing by the local executive bodies of districts (the cities of regional importance) shall be in the form of borrowing from the local executive body of the region to finance the budget deficit of district (the city of regional importance).

Article 210. Limitations of borrowing of the local executive bodies

1. The state borrowing by local executive body of the region, the city of republican significance and the capital is limited to the established debt limit of the relevant local executive body and the amount of the local budget funds, allocated for repayment and debt service of the relevant local executive body.
2. Debt limit of the local executive body for the financial year is set by the Government of the Republic of Kazakhstan.
3. Spending on the repayment and debt service of the local executive body should not exceed an amount equal to ten percent of the income of the local budget for the financial year.

Article 211. Repayment and debt service of the local executive bodies

Repayment and debt service of the local executive bodies are carried out by them at the expense of the funds, allocated to the local budgets, in the manner determined by the Government of the Republic of Kazakhstan.

Article 212. The issuance of the state securities by the local executive bodies of the city of republican significance and the capital

1. The issuance of the securities for circulation in the domestic market by the local executive body of the city of republican significance and the capital shall be in the order, established by the Government of the Republic of Kazakhstan.
2. The conditions, amount and purpose of the issuance of the state securities by the local executive body of the city of republican significance and the capital are determined by the Government of the Republic of Kazakhstan. The total amount of the state borrowing of the local executive bodies shall not exceed the established debt limit of the relevant local executive body.
3. Repayment for the debt of the local executive bodies of the city of republican significance and the capital on the issued state securities is mandatory, within the period prescribed by obligations.

Chapter 45. THE STATE GUARANTEED BORROWING AND DEBT

Article 213. The state guarantee

1. The state (government, sovereign) guarantee of the Republic of Kazakhstan (the state guarantee) is the obligation of the Government of the Republic of Kazakhstan to the lender to repay fully or in part the debt, in case of nonpayment the required amount by the borrower-resident of the Republic of Kazakhstan on time.
2. The state guarantees are provided to lenders as security for performance of the obligations by the residents of the Republic of Kazakhstan in respect of their non-state loans.
3. The Government of the Republic of Kazakhstan has the exclusive right to provide the state guarantees on behalf of the Republic of Kazakhstan on the loans.

The central authorized body for budget execution on behalf of the Government of the Republic of Kazakhstan provides the state guarantees on the conditions and in the order, determined by the Government of the Republic of Kazakhstan.

Article 214. Limitations for providing the state guarantees

1. The state guarantees are provided within the limits, set by the Law on the republican budget.
2. The state guarantees cannot be provided as collateral repayment for the loans of the local executive bodies.
3. The limit for providing the state guarantees can only be used within the financial year, for which this limit is set.

Article 215. The conditions for providing the state guarantees

1. The state guarantees are provided on the basis of the resolutions of the Government of the Republic of Kazakhstan.
2. The provision of the state guarantees is subject to repayment of budget funds by the borrower, spending by the Government of the Republic of Kazakhstan in the performance of the obligations of the guarantor, in accordance with Article 220 of this Code.
3. For the provision of the state guarantees on the non-state loan, the borrower shall pay a one-time pre-payment (fee) in the amount of 0.2 percent of the state guarantee for the legal entities, that have the full state participation in the share capital at the time of granting of the state guarantees, as well as for the national holding company and the legal entities, one hundred percent of the shares of which are owned by the national management holding company, and at the rate of two percent of the state guarantee for the other legal entities.
4. The provision of the state guarantees is made after recording and registration of the agreement on granting the state guarantees and the documents, confirming the enforcement of return of the funds, allocated from the state budget, in connection with the performance of the obligations of the Government of the Republic of Kazakhstan for the state guarantee.

The agreement to provide the state guarantee is an agreement between the central authorized body for budget execution, the attorney (agent) and the borrower on the state guaranteed loan, establishing the relationship of the parties for the provision of the state guarantees, enforcement of obligations under the loan agreement, guaranteed by the state, return of the republican budget funds, taken in the case of performance of obligations under the state guarantee.

Footnote. Article 215, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 24.11.2011 No. 495-IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 216. The requirements for persons applying for the state guarantees

For legal entities, applying for the state guarantees on loans, in which these entities act as borrowers, the following requirements shall be applied:

1) to be a resident of the Republic of Kazakhstan, carrying out the business activities;

2) carry out the implementation of the projects, included in the list of investment projects, proposed for funding at the expense of non-state loans under the state guarantee for the corresponding period, authorized by the decision of the Government of the Republic of Kazakhstan;

3) have a second-tier bank guarantee or a contract of insurance, satisfying the requirements of security for the repayment of loans, established by the central authorized body for budget execution in consultation with the National Bank of the Republic of Kazakhstan.

The bank guarantee is available once for the entire duration of the loan and covers the amount of principal, as well as all amounts of remuneration, commissions, forfeits (fine, penalty) and other payments, made by the borrower under the loan agreement.

The insurance contract shall provide the risk insurance for the project, which could lead to a default of the borrower and implementation of the state's obligations under the state guarantee;

4) have a positive opinion of the sectorial authorized body;

5) have a positive opinion of the central authorized body for budget execution;

6) have a positive opinion of the central authorized body for state planning;

7) does not have a debt to repay and service the previously received state-guaranteed loans, the payment deadlines of which have come, as well as other overdue payments to creditors ;

8) provide the obligations for co-financing of the investment project in the case of involving the loan, which does not cover the total cost of the project;

9) have a net worth not less than 30 percent in relation to the cost of the investment project;

10) to be solvent, will not be subject to liquidation, its assets will not be seized, its financial and business operations should not be suspended in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 216, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 217. The selection of investment projects for provision of the state guarantees

1. The selection of investment projects for provision of the state guarantees is carried out by the central authorized body for state planning in the manner, determined by the Government of the Republic of Kazakhstan.

2. The requirements for the development or economic expertise of the feasibility study on the investment projects for provision of the state guarantees are established by the central authorized body for state planning.

3. The economic expertise of investment projects for provision of the state guarantees is carried out by the legal entity, established by the Government of the Republic of Kazakhstan.

Footnote. Article 217, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 218. The form of the state guarantee

1. The state guarantee is provided through the conclusion of a written indemnity contract between the central authorized body for budget execution and the money-lender (the representative of bondholders) or a written notification on the assumption of the guarantor's obligations for the non-government debt (warranty) by the central authorized body for budget execution.

In the presence of the indemnity contract on the non-state foreign loans, the central authorized body for budget execution shall have the right to avalize the borrower's bills in the manner established by the legislative acts of the Republic of Kazakhstan.

As the state guarantee can only be recognized a document that meets the requirements of this Article. Other acts and documents of the state bodies and their officials do not have the force of the state guarantee.

2. The contract of indemnity, warranty liabilities for each investment project, aval for each obligation of the borrower are signed by the first head of the central authorized body for budget execution.

3. The contract of indemnity or warranty liabilities, shall include:

1) the details of the resolution of the Government of the Republic of Kazakhstan, according to which the state guarantee is provided;
2) the name and address of the borrower;
3) the content of the principal obligation of the borrower;
4) the guaranteed amount of loan, other guaranteed obligations under the loan covered by the provided state guarantee;
5) the period of validity of the state guarantee;
6) the official, who signed the contract of indemnity (warranty liabilities).
4. In the absence of conditions in the contract of indemnity, warranty liabilities, provided in subparagraphs 4) and 5) of paragraph 3 of this Article, it is assumed that:
1) the state guarantee ensures the implementation of all the debtor's obligations under the loan;
2) the state guarantee is granted for the duration of the loan agreement.
5. The state guarantee shall be void in the absence of the requirement in the contract of indemnity and warranty liabilities, provided in subparagraph 1) of paragraph 3 of this Article, or their signature, as well as avalizing of the borrower's obligations by the unauthorized person in violation of paragraph 2 of this Article.

Article 219. Accounting for provision of the state guarantees and the state guaranteed loans

The provided state guarantees and the state guaranteed loans must be registered and accounted in the central authorized body for budget execution in the manner, prescribed by the Government of the Republic of Kazakhstan.
The central authorized body for budget execution monitors the state guaranteed debt and manages it.
Monitoring of the financial condition of the borrower, who received the state guaranteed loan, is carried out according to the procedure, established by the Government of the Republic of Kazakhstan.

Article 220. Execution of the state guarantee

Unless otherwise provided by the conditions of the loan agreement, the state guarantee shall be executed after the due date at the request of the money-lender, in case if the state guarantees loan is not repaid by the borrower fully or in part on the date of maturity and within the funds, provided by the Law on the republican budget.
Articles 191 - 196 of this Code shall be applied to return the funds, aimed at the fulfillment of obligations under the state guarantee, loan restructuring, replacement of the debtor, limitation period, termination of the requirements to repay these funds.
The funds, allocated for the fulfillment of obligations under the state guarantee shall be returned to the republican budget for the period, specified in the agreement on the provision of the state guarantee for the rate of interest, determined in accordance with Article 184 of this Code.
The Government of the Republic of Kazakhstan shall be entitled to early repay the state guaranteed loan under the conditions of the loan agreement and with the consent of the money-lender for the borrower, declared as bankrupt, and (or) the liquidated in accordance with the legislation of the Republic of Kazakhstan, through the execution of the state guarantee for the funds, envisaged in the Law on the republican budget.

Article 221. The restructuring of the state-guaranteed loans

1. The restructuring of the state-guaranteed loan is made under the agreement of the money-lender and the borrower in the event of the decision of the Government of the Republic of Kazakhstan.

2. In the restructuring of the state-guaranteed loan, the previously issued state guarantee can be confirmed by the Government of the Republic of Kazakhstan or replaced by a new one at the request of the money-lender.

3. The guaranteed amount of the loan may not exceed the amount of the loan on the previously issued state guarantee.

The restrictions, specified in paragraph 1 of Article 214 of this Code shall not be applied to the newly issued state guarantee.

Article 222. Replacing the borrower of the state guaranteed loan

1. Replacing the borrower on the state guaranteed loan is allowed by the agreement of the parties of the loan agreement, in case of the decision of the Government of the Republic of Kazakhstan.

2. In the case of replacement of the borrower under the state guaranteed loan, the state guarantee may be replaced by a new or confirmed by the central authority body for budget execution at the request of the money-lender on the basis of the decision of the Government of the Republic of Kazakhstan.

3. The guaranteed amount of the loan may not exceed the amount of the loan on the previously granted state guarantee. The restrictions specified in paragraph 1 of Article 214 of this Code shall not be applied to the newly issued state guarantee.

Article 223. The grounds for termination of the state guarantee

The state guarantee is terminated in the following cases:

1) the complete fulfillment of obligations by the borrower or guarantor on the loan, guaranteed by the Government of the Republic of Kazakhstan;

2) the expiration of the guarantee period, specified in the contract of indemnity (warranty liabilities), if it is not otherwise specified;

3) the guarantees, specifically stipulated in the loan agreement and (or) in the contract of indemnity (warranty liabilities);

4) the replacement of guarantee for the new guarantee in the restructuring, and (or) the replacement of the borrower under the state guaranteed loan.

Article 224. The restrictions on the use of the state-guaranteed loan funds

The use of state-guaranteed loan funds for purposes, not provided by the conditions of the loan, as well as crediting of the state institutions are prohibited.

Article 225. The control and responsibility for the use of the state-guaranteed loan funds

The use of the state-guaranteed loan funds is controlled in the manner, prescribed by the Government of the Republic of Kazakhstan.

The borrower on the loan, having the state guarantee, shall be liable under the legislative acts of the Republic of Kazakhstan for the inappropriate use of funds received on the loan, guaranteed by the Government of the Republic of Kazakhstan, and for the repayment of funds, taken on the fulfillment of obligations under the state guarantee, in the event of non-fulfillment of the debt obligations on the loan by the borrower.

Chapter 46. The suretyship of the state

Article 226. The suretyship of the state

The suretyship of the state is the obligation of the Government of the Republic of Kazakhstan to the lender to repay all or part of the debt of the borrower on the loan, attracted under the concession agreement, in accordance with the contract of suretyship.

The obligations under the suretyship include the principal amount of the loan and the interest on it.

Article 227. The limitations for provision of the state suretyship

1. The suretyship of the state is provided within the limits, set by the Law on the republican budget.

2. The loan funds, attracted under the suretyship of the state, are used only to create the concession objects.

3. The suretyship of the state cannot be provided by the loans, attracted as refinancing of the borrowed loans or for loan servicing, as well as to secure the repayment of the loans of the local executive bodies.

4. The amount of the limit for provision of the state suretyship may only be used within the financial year for which this limit is set.

Article 228. Terms of sureties State

1. The suretyship of the state shall be provided on the basis of the decisions of the Government of the Republic of Kazakhstan.

2. The provision of the state suretyship is subject to the following conditions:

1) the borrower’s obligation to transfer of the concession object to the state in accordance with Article 233 of this Code;

2) the borrower’s obligation to accumulate the funds in a special account, intended to ensure the timely fulfillment of obligations on the loan, attracted under the suretyship of the state.

The order of accumulation of funds in the special account is determined by the contract of suretyship.

3. A one-time pre-payment (fee) in the amount of two percent from the amount of the state suretyship will be charged from the borrower for the provision of the state suretyship on the non-state loan.

4. The provision of the state suretyship is carried out under the insurance contract that meets the requirements of security for the repayment of the republican budget funds, taken on the fulfillment of the obligations under the suretyship of the state.

Footnote. Article 228, as amended by the Law of the Republic of Kazakhstan dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 229. The requirements for the persons, applying for the state suretyship

For legal entities applying for the state suretyship on the loans, in which these entities act as borrowers must meet the following requirements:

1) to be a resident of the Republic of Kazakhstan, carrying out business activities;

2) have an insurance contract that meets the requirements of repayment for the loans, borrowed under the suretyship of the state, established by the central authorized body for budget execution in consultation with the National Bank of the Republic of Kazakhstan;

3) have a positive opinion of the authorized body of the relevant industry;

4) have a positive opinion of the central authorized body for budget execution on the financial expertise of the project;

5) the presence of a positive conclusion of economic expertise;

6) does not have a debt to repay and service of the previously received loans under the suretyship of the state or the state guarantees of the loan, the payment deadlines of which have come, as well as other overdue payments to creditors;

7) have a net worth, not less than twenty per cent in relation to the value of the concession object;

8) to be solvent, will not be subject to liquidation, its assets will not be seized, its financial and business operations should not be suspended in accordance with the legislation of the Republic of Kazakhstan.

9) to implement the projects, included in the list of concession projects, proposed for financing at the expense of non-state loans, attracted under the state guarantee for the corresponding period, approved by the Government of the Republic of Kazakhstan.

Footnote. Article 229, as amended by the Laws of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010), dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 04.07.2013 No. 131-V (shall be enforced upon expiry of ten calendar days after its first official publication), dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 230. The selection of the concession projects to provide or increase the limit of the state suretyship

The selection of the concession projects to provide or increase the limit of the state suretyship is carried out by the central authorized body for state planning in the manner, determined by the Government of the Republic of Kazakhstan.

Footnote. Article 230, is in the wording of the Law of the Republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 231. The form of the state suretyship

1. The suretyship of the state is provided by conclusion of the written contract for the state suretyship between the central authorized body for budget execution and the money-lender.

The document that meets the requirements of this Article may be considered as the state suretyship.

Acts or other documents of the state bodies and their officials have no legal force of the state suretyship.

2. The contract of state suretyship is signed by the first head of the central authorized body for budget execution.

3. The contract of state suretyship provides:

1) the details of the resolution of the Government of the Republic of Kazakhstan, under which the suretyship of the state is provided;
2) the name and address of the borrower and the money-lender;
3) the content of the principal obligation of the borrower;
4) the amount of the loan, for which the suretyship of the state is provided, other obligations on the loan covered by the suretyship of the state. Other obligations cannot increase the amount of the loan (capitalized);
5) the term of the suretyship of the state;
6) the official, who signed the contract of suretyship of the state.
4. The state suretyship shall be invalid in failure to comply with the requirements provided in paragraph 2 and subparagraph 1) of paragraph 3 of this Article.

Article 232. Accounting of the provided suretyship of the state and the loans under the suretyship of the state

The provided suretyship of the state and the loans under the suretyship of the state are subject to registration and accounting in the central authorized body for budget execution in the manner, prescribed by the Government of the Republic of Kazakhstan.
The central authorized body for budget execution monitors the debt under the suretyship of the state in the manner, prescribed by the Government of the Republic of Kazakhstan.

Article 233. Performance of the suretyship of the state

1. The requirements for the fulfillment of obligations may be brought to the guarantor within six months from the date of the maturity date of the loan.
2. The suretyship of the state is subject to the execution after the money-lender takes all reasonable steps to recover the debt from the borrower, and (or) in the event of declaration of the borrower's bankruptcy or the liquidation in accordance with the legislation of the Republic of Kazakhstan.
Performance of the suretyship of the state is carried out within the period of eighteen months from the date of submission of the requirements for the performance of the state suretyship within the limits, stipulated by the Law on the republican budget.
3. The guarantor is entitled to perform the obligations under the suretyship of the state , if the borrower does not repay the loan obligations, attracted under the suretyship of the state, on the expiry of the term of payment. In this case, the guarantor makes the recourse to the borrower.
The funds, allocated to the performance of the obligations under the suretyship of the state, shall be returned to the republican budget in the order, determined by the Government of the Republic of Kazakhstan.
Footnote. Article 233 is in the wording of the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

Article 234. Grounds for termination of the suretyship of the state

The suretyship of the state shall be terminated its effect after the complete execution of the obligations by the borrower or guarantor under the loan, secured by the state suretyship .

Article 235. Limitations on the use of the loan funds, attracted by the suretyship of the state

The use of the loan funds, attracted under the suretyship of the state, for the purposes not specified in the contract of suretyship, as well as the crediting of the state bodies.

Article 236. The control and responsibility for the use of the loan funds, attracted under the suretyship of the state

The use of the loan funds, attracted under the suretyship of the state is controlled in the manner, prescribed by the Government of the Republic of Kazakhstan.

The borrower on the loans, attracted under the suretyship of the state, shall be liable under the Laws of the Republic of Kazakhstan, for the inappropriate use of the received funds and the repayment of funds, attracted for performance of the obligations under the suretyship of the state, in the event of non-performance of the debt obligations on the loan by the borrower.

Chapter 47. PROTECTION OF INTERESTS OF THE LENDER

Article 237. The inadmissibility of the unilateral refusal to perform the obligations under the loan agreement

The unilateral refusal to perform the obligations under the loan agreement is not allowed .

Article 238. Protection from illegal activities of the state bodies and officials

Acts of the state bodies and their officials, adopted in violation of the legislation of the Republic of Kazakhstan and worsening the conditions of attraction, use or redemption of the state loans and the state guaranteed loans, do not have the legal force.

Article 239. Settlement of disputes

1. Disputes and difficulties, arising in connection with the loan agreements, state securities, government guarantees, suretyship, or related to them with the activities, including the management of the state, government debt, debt of the local executive bodies or the state-guaranteed debt are settled as far as possible through the negotiation or under the previously agreed dispute resolution procedures, set out in the loan agreements, the rules for the issuance of the state securities.

2. All other disputes, not specified in paragraph 1 of this Article, including disputes of the foreign lender with the citizens and legal entities of the Republic of Kazakhstan, shall be settled by the courts of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan, unless otherwise provided by agreement of the parties.

SECTION 13. FINAL AND TRANSITIONAL PROVISIONS

Chapter 48. TRANSITIONAL PROVISIONS

Article 240. The development of the local budgets for 2009 financial year

1. The local budgets for 2009 financial year are developed on the structure of the budget , provided in Article 13 of this Code.

2. Forecasting of the revenues for the local budgets, specified in Articles 50 - 52 of this Code shall be carried out by local authorized body for state planning on the basis of the medium-term plan for social and economic development of the region and the medium-term fiscal policy in the coming three-year period.

3. The text of the decision on the local budget for the 2009 financial year includes:

1) the amounts of revenues, expenses, net budget crediting, the balance of financial assets, the deficit (surplus), the financing (the use of surplus) of budget deficit for the upcoming financial year;

2) the amounts of budget subventions, transferred from the higher budget in the lower budgets, and the amounts of budget withdrawals from lower budgets in the higher budget;

3) the size of the reserve of the local executive body;

4) other provisions.

4. The decision on the local budget for the 2009 financial year is included:

1) the local budget for the financial year on the structure, established by this Code. At the same time, the revenues are set out by categories, classes and subclasses, and the costs are set out by functional groups, administrators of budget programs and budget programs. The section “Financing (the use of surplus) of the budget deficit” is presented in the total amount ;

2) the list of budget development programs with the division on the budget programs, aimed at the implementation of budget investment projects and the formation or increase of the authorized capital of legal entities;

3) the list of local budget programs that cannot be sequestered during the execution of the local budget for 2009, including those established by the Law on the republican budget for 2009-2011 (by the decision of the regional maslikhat on the approval of the regional budget for 2009);

4) the amount of revenues to the budget of the city of republican significance and the capital (the budget of the district (the city of regional importance) from the sale of agricultural land;

5) the budget programs of each district in the city, town of the regional importance, township, aul (village), aul (rural) district;

6) other information.

5. The budget program is the tasks, provided by the budget funds that are taken for the implementation of the functions of the state administration, strategic, medium-term programs and plans for the development of the republic or the region.

The budget program can be divided into sub-programs, specifying the tasks provided by the budget funds that are taken for the implementation of the functions of the state administration , strategic, medium-term programs and plans for the development of the republic or the region within the budget program.

The budget program should have the purpose, tasks and indicators that reflect the results of its implementation.

The purpose of the budget program is the certain final result that should be achieved by the implementation of the budget program. The purpose of the budget program should be clear, realistic and achievable.

The purpose of the budget program is divided into the individual tasks, which are the ways for achievement of the purpose of the budget program.

The indicators should comply with the purpose and should be easily countable.

The name of the budget program should reflect the purposes of the state functions, the tasks of the strategic, medium-term programs and the development plans, adopted by the legislation of the Republic of Kazakhstan.

The content of the budget program must comply with the state functions, tasks of the strategic, medium-term programs and the development plans of the republic, adopted by the legislation of the Republic of Kazakhstan, reflecting the respective state services.

6. The budget programs are divided into the current budget programs and the budget development programs.

The current budget programs are the budget programs, the results of which are aimed at:

1) supporting the activities of administrators of budget programs to implement the functions of the state administration and the obligations of the state in accordance with the legislative acts of the Republic of Kazakhstan, that are permanent;

2) achieving the purposes, solving the specific tasks and activities of the strategic, medium-term programs and the development plans of the republic or the region.

The budget development programs are the budget programs, the results of which directly affect to the degree of achievement of the purposes, the tasks and activities of the strategic, medium-term programs, the development plans of the republic or the region to obtain the economic benefits or social and economic effects.

Article 241. Development of the resolutions of the local executive bodies on the implementation of the decisions of maslikhats on local budgets for 2009

1. The resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 is adopted, within two weeks after the approval by maslikhat of the local budget.

2. The resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 provides for the commission to ensure the timely execution of the local budget to the administrators of budget programs, local authorized body for budget execution.

The resolution shall include:

1) the approved local budget. At the same time, revenues are presented to the level of specificity, and the budget programs are presented as divided into sub-programs. The section "Financing (the use of surplus) the budget deficit" is presented in the total amount;

2) the distribution of targeted transfers and loans to the lower budgets;

3) other data or indicators necessary for the implementation of the Law on the republican budget for 2009-2011 or the decisions of maslikhat on the local budget for 2009, the definition of which is assigned to the Government of the Republic of Kazakhstan or local executive body.

3. For clarification of the local budget the resolution of the local executive body on amendments and supplements to the resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009, is approved within two weeks after approval of the decision of maslikhat on amendments and supplements to the decision of maslikhat on the local budget for 2009 year.

Article 242. The order of execution of local budgets in 2009

1. The basis for the execution of budget for 2009 is:

1) this Code;

2) the decisions of maslikhats on the local budgets for 2009;

3) the resolutions of the local executive bodies on the implementation of the decisions of maslikhat on the local budget for 2009;

4) the decisions of the local executive bodies, adopted in the current financial year, during the execution of the local budgets;

5) the passports of the local budget programs;

6) the summary plan for financing the obligations, the summary plan of revenues and financing of payments;

7) the plans for financing the obligations and payments of the administrators of local budget programs;

8) the individual plans for financing the obligations and payments of the state institutions;

9) the regulatory legal acts that determine the order of execution of the budget in accordance with this Code.

2. The passports of the local budget programs for 2009 are approved by the local executive body within two weeks after the approval of the local budget by maslikhat.

The passports of the local budget programs are drawn up on the basis of the draft passport of the budget program, provided in the budget request and approved by the budget commission, taking into account the decisions, adopted in the approval (clarification, adjusting) of the budget.

The amendments and additions to the passports of budget programs are made in the following cases:

1) clarification of the budget;

2) change the functions of the executive bodies, financed from the local budgets;

3) introduction of amendments and additions to the resolutions of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009, in the event of a change of the purpose, objectives, activities, responsible agencies, the timing of implementation, expected results and indicators;

4) the need to address situations that threaten the political, economic, ecological and social stability of the Republic of Kazakhstan;

5) direction of the remainder of the unused scheduled amounts to perform the additional activities needed to achieve the desired objectives and range of tasks and activities of the budget program, formed in the case of performance by the state institution of the planned activities of the budget program for the smaller amount of the budget funds from the approved amount due to the reduction of the actual prices of the relevant goods (works, services), as compared with the forecast prices.

The passports of the local budget programs must be published in the media with the protection of state secrets in accordance with the legislation of the Republic of Kazakhstan.

3. The summary plan for financing the obligations, the summary plan of revenues and financing of payments, the plans for financing the obligations and payments of administrators of the local budget programs, individual plans for financing the obligations and payment of the state institutions are developed, approved and are subject to change in accordance with this Code.

4. The execution of the local budgets by revenues, assumption of obligations, making payments and money transfers, use of budget surpluses on January 1, 2009, clarification, sequestration of the local budgets in 2009, budget monitoring are carried out in the manner, prescribed by this Code.

5. When adjusting the local budgets, the budget figures are changed by making amendments and additions to the resolution of the local executive body for the implementation of the decision of maslikhat on the local budget for 2009 without clarification in maslikhat.

In the event that, after adjustment, the clarification of the budget is made, the adjusted budget figures are reflected in the clarified budget, with the exception of the distributable budget programs.

Article 243. Annual reports on the execution of the republican and local budgets for 2008

1. Annual report on the execution of the republican and local budgets for 2008 is formed on the structure of the budget, consisting of the following sections:

1) income:
tax revenues;
non-tax revenues;
revenues from the sale of fixed assets;
income transfers;
2) costs;
3) operating balance;
4) net budget crediting:
budget loans;
repayment of the budget loans;
5) balance of financial assets:
acquisition of financial assets;
revenues from the sale of the state financial assets;
6) budget deficit (surplus);
7) financing (the use of surplus) the budget deficit:
receipt of loans;
repayment of loans;
movement of the budget surpluses.

2. The annual report on the execution of the republican and local budgets for 2008 shall include:

1) the explanatory note;

2) the analytical report on the implementation of revenues, as well as the implementation of budget programs.

3. Annual report on the execution of the republican and local budgets for 2008 with applications are made, submitted, reviewed and approved in the manner and time, stipulated by this Code.

Article 243-1. Features of the development, approval and clarifying of the budgets for 2014, 2015 financial years

Spending limits of administrators of budget programs, limits on new initiatives shall not be formed in the development, approval and clarifying of the republican and local budgets for 2014 financial year.

In approving and clarifying the republican budget for 2015 financial year the strategic plans for state bodies, except for the National Bank of Kazakhstan, shall include budget programs with funding for the planning period.

Footnote. Chapter 48 is supplemented by Article 243-1 in accordance with the Law of the republic of Kazakhstan dated 03.12.2013 No. 150-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 49. FINAL PROVISIONS

Article 244. Responsibility for violation of the budget legislation of the Republic of Kazakhstan

The persons, found guilty of violating the budget legislation of the Republic of Kazakhstan shall be liable in accordance with the Laws of the Republic of Kazakhstan.

Article 245. Final Provisions

1. This Code enters into force from 1 January, 2009, except for Articles 13, 17, 18, paragraphs 5 and 6 of Article 19, 29, 40, 71, 74, 77, subparagraph 5) of paragraph 5 of Article 96, paragraph 3 of Article 156, 240, 241, 242, and Articles 32 - 39, 60 - 68, 79, 84, 85 for the republican budget, which shall be enforced from the date of its first official publication, and Articles 114, 115, 116, 117, 118, which shall be enforced from 1 January, 2013.

2. The legislation of the Republic of Kazakhstan, valid at the time of the enactment of this Code shall apply to the extent not contrary to it, and within a year from the date of entry into force of this Code should be brought into line with it.

3. To declare as invalid from 1 January, 2009 the Budget Code of the Republic of Kazakhstan dated April 24, 2004 (Official Gazette of the Parliament of the Republic of Kazakhstan, 2004, No. 8-9, art. 53; No. 20, art. 116; No. 23, art. 140, 142, 2005, No. 14, art. 55; No. 21-22, art. 87, 2006, No. 1, art. 5; No. 3, art. 22; No. 8, Art. 45; No. 12 Art. 77, 79 ; No. 13, art. 86; No. 16, art. 97; No. 23, art. 141, 2007, No.1, art. 4; No. 2, art. 16; No. 4 , art. 28; No. 13, art. 98; No.16, art. 129; No. 20, art. 152; No. 23, art. 176, 2008, No. 6-7, art. 27; No. 13-14, art. 58; No. 15-16, art. 64), except for the Articles 7, 13, 17, 21, 22, 29 , 37, 76, 79, 82, 95, 101-103, and Articles 33, 34, 68 - 70, 72 - 75, 92, 93 for the republican budget, which repealed from the date of first publication of this Code.

Footnote. Article 245, as amended by the Law of the Republic of Kazakhstan dated 02.04.2010 No. 263-IV (shall be enforced from 01.01.2010).

The President of
the Republic of Kazakhstan *N. Nazarbayev*