On National Bank of the Republic of Kazakhstan

Non-official translation

The Law of the Republic of Kazakhstan, dated 30 March 1995, No. 2155

Unofficial translation

Footnote. Title is in the new wording, the Preamble is excluded, throughout the text, the words “by the Decree”, “the Decree”, “the Decree” are replaced by the words “by the Law”, “the Law”, “the Law”- by the Law of the Republic of Kazakhstan, dated 2 March 2001, No. 162 (see Article 2).

In the text, after the word “Chapter” numbers “I – XIII” are replaced by the numbers “1 – 13” - by the Law of the Republic of Kazakhstan, dated 20 December 2004, No 13.

Throughout the text, the word “(interest)” is excluded - by the Law of the Republic of Kazakhstan, dated 8 July 2005, No 69.

Chapter 1. GENERAL PROVISIONS

Article 1. Bank system of the Republic of Kazakhstan

The Republic of Kazakhstan has a dual banking system.

The National Bank of the Republic of Kazakhstan (National Bank of Kazakhstan) is the Central Bank of the Republic of Kazakhstan and represents the top (first) level of the bank system of the Republic of Kazakhstan.

The National Bank of Kazakhstan shall represent the interests of the Republic of Kazakhstan in the relations with central banks and banks of other countries, in international banks and other financial and credit organizations within its competence.

The National Bank of Kazakhstan, in case of accomplishment of the tasks shall not be guided by the purpose of profit earning.

Types, a legal status, a procedure for creation, functioning and liquidation of second-tier banks are determined by the banking and other legislation of the Republic of Kazakhstan.

Footnote. The Article 1 – as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 5 December 1995, No. 2672; by the Law, dated 11 July 1997, No 154; by the Law of the Republic of Kazakhstan, dated 10 July 2003 No. 483; (shall be enforced from 1 January 2004).

Article 2. Status and legal basis of activities of the National Bank of Kazakhstan

The National Bank of Kazakhstan is the state body, that provide the development and carries out the monetary policy of the state, functioning of the payment systems, exercising the currency regulation and control, state regulation, control and supervision of the financial market and the financial organizations, state regulation of functioning of regional financial center of Almaty city, promoting stability of the financial system and carrying out the state statistics.

The National Bank of Kazakhstan is governed by the Constitution of the Republic of Kazakhstan, this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan in its activities.

Footnote. The Article 2 is in the wording of the Law of the Republic of Kazakhstan, dated 28.12.2011 No. 524 – IV (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 3. Accountability of the National Bank of Kazakhstan

The National Bank of Kazakhstan is accountable to the President of the Republic of Kazakhstan.

The accountability to the President of the Republic of Kazakhstan means:

appointment of the Chairman of the National Bank of Kazakhstan by the President of the Republic of Kazakhstan with the consent of the Senate of Parliament of the Republic of Kazakhstan;

release him (her) from the position;

appointment and dismissal of the Vice-Chairman of the National Bank of Kazakhstan by the President of the Republic of Kazakhstan on representation of the Chairman of the National Bank of Kazakhstan;

approval of the structure and a total regular number, remuneration system of the National Bank of Kazakhstan by the President of the Republic of Kazakhstan;

approval of the Provision on the National Bank of Kazakhstan by the President of the Republic of Kazakhstan;

approval of the annual statement of the National Bank of Kazakhstan by the President of the Republic of Kazakhstan;

approval of the design concept of banknotes and coins of the national currency- the Kazakhstani tenge by the President of the Republic of Kazakhstan;

representation by the National Bank of Kazakhstan, of the information concerning its competence, requested by the President of the Republic of Kazakhstan.

Footnote. The Article 3 is in the wording of the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 05.12.1995 No. 2672; as amended by the Laws of the Republic of Kazakhstan, dated 29.06.1998 No. 236; dated 02.03.2001 No. 162 (See Article 2); dated 08.07.2005 No. 69; dated 29.04.2009 No. 154-IV (the order of enforcement, see Article 2).

Article 4. Regulatory legal acts of the National Bank of Kazakhstan

The National Bank of Kazakhstan shall publish the regulatory legal acts concerning matters that fall under its authority, on the basis and in execution of the Laws of the Republic of Kazakhstan that shall be mandatory for all financial institutions, consumers of financial services, other legal entities and individuals on the territory of the Republic of Kazakhstan.

Regulatory legal acts of the National Bank of Kazakhstan shall be published in the official publications – "Kazakstan Ulttyk Bankinin Khabarshysynda" and "Bulletin of the National Bank of the Republic of Kazakhstan" in Kazakh and Russian languages.

Footnote. Article 4, as amended by the Laws of the Republic of Kazakhstan dated

11.07.1997 No. 154; dated 10.07.2003 No. 483 (shall be enforced from 01.01.2004); dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

The Article 5 (is excluded by the Law of the Republic of Kazakhstan dated 11 July 1997, No. 154)

Article 6. The National Bank of Kazakhstan as a legal entity

The National Bank of Kazakhstan is a legal entity in organizational legal form of a republican state institution and has an independent balance sheet, and it shall comprise a single structure together with its branches, representative offices, and organizations.

The National Bank of Kazakhstan acts on behalf of the Republic of Kazakhstan as the founder of joint stock companies and limited liability partnerships, and participates in the activities of organizations, as well as contributing the implementation of the functions of the National Bank of Kazakhstan, and (or) is the part of the financial market infrastructure.

The central administration of the National Bank of Kazakhstan is located in Almaty city. The National Bank of Kazakhstan may open branch offices and representative offices in the Republic of Kazakhstan and outside its borders.

Footnote. The Article 6 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 first official publication).

Chapter 2. Main goal, objectives, functions and powers of the National Bank of Kazakhstan

Footnote. Title is in the new wording of the Law of the Republic of Kazakhstan dated 10 July 2003 No. 483 (shall be enforced from 1 January 2004).

Article 7. Main goal and objectives of the National Bank of Kazakhstan

The main goal of the National Bank of Kazakhstan is to ensure the price stability in the Republic of Kazakhstan.

To accomplish the main goal, the National Bank of Kazakhstan shall be assigned the following objectives:

1) development and implementation the state’s monetary policy;

2) ensuring the functioning of payment systems;

3) implementation of currency regulation and control;

4) promoting the stability of the financial system;

5) regulation, control and supervision of the financial market and financial organizations, as well as other persons within the jurisdiction;

6) ensuring the adequate level of protection of the rights and legitimate interests of consumers of financial services;

7) implementation of statistical activity in the field of monetary statistics and the statistics of external sector;

8) other objectives in accordance with the laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. The Article 7 is in wording of the Law of the Republic of Kazakhstan dated

10.07.2003 No. 483 (shall be enforced from 01.01.2004); as amended by 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 first official publication).

Article 8. Functions and powers of the National Bank of Kazakhstan

The National Bank of Kazakhstan shall:

1) develop and implement the state monetary policy of the Republic of Kazakhstan;

2) issue the state equity securities;

3) be the sole issuer of banknotes and coins of the national currency of the Republic of Kazakhstan and organizes a cash circulation in the territory of the Republic of Kazakhstan;

4) participate in providing transportation, storage and collection of banknotes, coins and values, create the reserve state funds of banknotes, coins and valuables;

5) control the compliance of the financial institutions and their branches with the requirements to the unit premises;

6) regulate and supervise (oversight) for the inter-bank money transfer system, a system of inter-bank clearing and other payment systems, which provide conducting of money transfers between users in Kazakhstani tenge;

7) establish the priority of payments on bank accounts, carrying out by banks, organizations, implementing the certain types of bank operations and by the business entities, in order to streamline payments and money transfer in agreement with the Government of the Republic of Kazakhstan, unless otherwise provided by the Laws of the Republic of Kazakhstan;

8) carry out the currency regulation and currency control in the Republic of Kazakhstan;

9) carry out the control over the export operations of second-tier banks with refined gold and bar silver;

10) provide the management of assets in foreign currency and precious metals;

11) implement a priority right of the state to purchase refined gold to replenish assets in precious metals;

12) carry out in the cases, stipulated by the legislation of the Republic of Kazakhstan, routine tests of purity (samples) of precious metals and raw materials, containing precious metals;

12-1) carry out a storage and testing of precious metals, except for goods from them, and purities (samples) of raw materials, containing precious metals, the owners of which are the financial institutions, legal entities, that are eligible for export-import operations with precious metals and raw materials, containing precious metals;

12-2) carry out the transportation, reception, registration, storage of precious metals, precious stones and products, made of them that are converted (entered) into state property on certain grounds, in cases provided by the legislation of the Republic of Kazakhstan;

13) carry out the regulation of system risks independently and (or) in partnership with other state bodies of the Republic of Kazakhstan within their competence;

14) be a lender of last instance, has the right to grant loans to legal entities, opening a bank account in the National Bank of Kazakhstan, establishes a system of refinancing;

15) participates in the regulation of the external debt of financial institutions;

16) develop a statistical methodology and defines the list, forms, terms and the order of presentation of basic statistics on cash circulation, monetary and banking statistics, balance of payment, external debt, international and investment position, securement of financial stability;

17) conduct institutional statistical surveys in accordance with the statistical work plan, as well as carry out the control in the field of state statistics within its competence;

18) generates and disseminates the statistical information on the review of the financial market, monetary and banking statistics, balance of payments, international and investment position, and external debt, participate in the development of predictive estimates of the balance of payments;

19) carry out the regulation, control and supervision of the financial market and financial organizations, as well as other persons in accordance with this Law and other Laws of the Republic of Kazakhstan;

20) license the activity in the financial field and activity, related to the concentration of financial resources;

21) approve the rules of banking transactions in the cases, provided for by the Laws of the Republic of Kazakhstan;

22) carry out the state regulation of activity of the regional financial center of Almaty city;

23) determine the policy and methods of accounting for the National Bank of Kazakhstan in accordance with international financial reporting standards;

24) carry out the control and supervision of compliance by financial institutions, special financial companies, Islamic special financial companies, investment funds, the Development Bank of Kazakhstan, with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international accounting standards, as well as the rules of automation of accounting;

25) participate in servicing the state debt of the Government of the Republic of Kazakhstan in agreement with the latter and serve the state debt of the National Bank of Kazakhstan;

26) establish and publish the official exchange rate of the national currency of the Republic of Kazakhstan to foreign currencies according to the list and the order, determined by the Board of the National Bank of Kazakhstan;

27) monitor contracts for non-state foreign loans;

28) monitor the sources of supply and demand, as well as the uses of foreign currency on the domestic market;

29) carry out a banking activity without necessity to obtain corresponding licenses, professional activity in the securities market and other activity as defined by the Laws of the Republic of Kazakhstan;

30) carry out a banking service of customers of the National Bank of Kazakhstan;

31) carry out as trustee for the National Fund of the Republic of Kazakhstan on the basis of the trust management agreement, which is between the National Bank of Kazakhstan and the Government of the Republic of Kazakhstan and shall be published in official publications;

32) serves as a trustee of assets on the basis of the trust management agreement, concluded by the National Bank of Kazakhstan and the Government of the Republic of Kazakhstan or legal entities. The trust management agreements, concluded between the National Bank of Kazakhstan and the Government of the Republic of Kazakhstan shall be published in official publications;

32-1) carry out the trust management of the pension assets of uniform pension savings fund under a trust management agreement, concluded between the National Bank of Kazakhstan and uniform pension savings fund;

32-2) carry out the functions of a custodian in respect of pension assets of uniform pension savings fund;

33) on the request of the financial monitoring authorized body represent information from its own information systems in accordance with the legislation of the Republic of Kazakhstan on countering the legalization (laundering) of proceeds from criminal activities and financing of terrorism;

34) participate in the training and retraining of personnel for state bodies and financial institutions;

35) apply to financial and other organizations the enforcement measures, sanctions and other measures stipulated by the Laws of the Republic of Kazakhstan, in the case of violation of the requirements of the Laws and other regulatory legal acts of the Republic of Kazakhstan within its competence;

36) carry out procurement of goods, works and services in the manner, specified by regulatory legal acts of the National Bank of Kazakhstan;

37) set, cancel and define the use of bank identification codes, assign and revoke codes of banks and organizations, engaged in certain types of banking operations, and codes of branches of banks and organizations, engaged in certain types of banking operations, establish their structure, as well as develop and maintain the Directory of banks and organizations, engaged in certain types of banking operations;

38) establish consultative and advisory bodies of the National Bank of Kazakhstan;

39) carry out other functions and powers under this Law, other laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. Article 8 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 first official publication); as amended by the Law of the Republic of Kazakhstan, dated 21.06.2013 No . 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 3. Capital and reserves of the National Bank of Kazakhstan

Footnote. Title of the Chapter is in the wording of the Law of the Republic of Kazakhstan , dated 16 July 1999 No. 436.

Article 9. Charter capital of the National Bank of Kazakhstan

The charter capital of the National Bank of Kazakhstan belongs to the state and shall be created in an amount not less than 20 billion Kazakhstani tenge by payments from undivided net income.

The National Bank of Kazakhstan shall independently exercise the rights of possession, use, and disposition of property on its balance sheet on behalf of the Republic of Kazakhstan, in accordance with the procedure, established by the regulatory legal acts of the National Bank of Kazakhstan.

Footnote. Article 9, as amended by the Laws of the Republic of Kazakhstan, dated 11July, 1997 No. 154; dated 29 June, 1998 No. 236; dated 16 July 1999 No. 436; dated 10 July, 2003 No. 483 (shall be enforced from 1January, 2004); dated 8 July, 2005 No. 69; dated 5 July 2006 No. 165 (the order of enforcement see Article 2); dated 01.03.2011 No. 414-IV (shall be enforced from the date of its first official publication).

Article 10. Reserve capital, revaluation accounts and special provisions (reserves) of the National Bank of Kazakhstan

Reserve capital of the National Bank of Kazakhstan shall be formed in the amount not less than the charter capital; it shall be replenished out of net income, and shall be intended solely to provide compensation of losses and reimbursement of losses on operations, performed in compliance with procedure, established by the Executive Board of the National Bank of Kazakhstan. The revaluation account for gold and foreign currencies reserves shall be intended for recording unrealized income from their revaluation. The revaluation account for fixed assets shall be intended for recording the results of indexing of fixed assets of the National Bank of Kazakhstan.

At the account of the National Bank of Kazakhstan special provisions (reserves) against problem and irrecoverable claims, including credits, deposits, securities, settlement losses, balances on accounts, and other assets, including amounts of uncompleted construction, and other claims involving nonmonetary activities of the National Bank of Kazakhstan, as well as payments of a social nature shall be formed.

Footnote. Article 10 is in the wording of the Law dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 11. Income of the National Bank of Kazakhstan

Net income of the National Bank of Kazakhstan for a financial year shall be defined as the difference between actually received income and costs charged to the given financial year.

Undivided net income of the National Bank of Kazakhstan is the net income of the National Bank of Kazakhstan, except to the exchange rate revaluation, relevant to the revaluation of gold reserves and other foreign currency assets, adjusted for the revaluation of fixed assets and intangible assets.

Undivided net income shall be intended to increase a reserve and charter capitals in the amount, established by the Board of the National Bank of the Republic of Kazakhstan.

After the approval of the annual report of the National Bank of Kazakhstan by the President of the Republic of Kazakhstan, the remaining undistributed net income shall be transferred to the state budget with a one financial year grace period.

In case, if the amount of reserve capital is less than the amount of the charter capital, the entire undivided net income remains in possession of the National Bank of Kazakhstan and shall be addressed to the replenishment of the reserve capital until it reaches the size of charter capital. If funds of the capital reserve are insufficient to compensate losses of the financial year, the accumulated losses shall be compensated by the National Bank of Kazakhstan in full at the expense of the state budget with a one financial year grace period.

Footnote. Article 11 is in the wording of the Law of the Republic of Kazakhstan, dated 10.07.2003 No. 483 (shall be enforced from 01.01.2004); as amended by the Law of the Republic of Kazakhstan, dated 08.07.2005.No. 69; dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009); dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Chapter 4. Structure and bodies of the National Bank of Kazakhstan. The order of their formation and competence

Footnote. Title is in the wording of the Law of the Republic of Kazakhstan, dated 16 July 1999, No. 436.

Article 12. Structure and bodies of the National Bank of Kazakhstan

The National Bank of Kazakhstan shall hold out a single centralized structure with a vertical administrative system.

The bodies of the National Bank of the Republic of Kazakhstan shall be the Executive Board and Board of Directors (the Directorate).

The structure of the National Bank of Kazakhstan shall include the central administration, consisting of departments and other subdivisions, branch offices, representative offices, agencies and organizations.

Footnote. Part 3 is excluded by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 27 January 1996, No. 2830; as amended by the Laws of the Republic of Kazakhstan, dated 11.07.1997 No. 154; dated 16.07.1999 No. 436; dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 13. Chairman of the National Bank of Kazakhstan

The Chairman of the National Bank of Kazakhstan shall be appointed by the President of the Republic of Kazakhstan with the approval of the Senate of the Parliament for a term of 6 years.

The Chairman shall act on behalf of and represents the National Bank of Kazakhstan without a power of attorney in relations with state bodies, banks, financial, international, foreign, and other organizations.

The Chairman of the National Bank of Kazakhstan shall have the power to adopt operative, executive and administrative decisions concerning the activities of the National Bank of Kazakhstan, with the exception of powers, warranted by this Law to the Executive Board of the National Bank of Kazakhstan and to conclude agreements on behalf of the National Bank of Kazakhstan.

The Chairman of the National Bank of Kazakhstan shall bear responsibility for the operation of the National Bank of Kazakhstan.

Footnote. Article 13 as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 04.12.1995 No. 2672; dated 27.01.1996 No. 2830; by the Laws of the Republic of Kazakhstan, dated 11.07.1997 No. 154; dated 29.04.2009 No. 154-IV (the order of the enforcement, see Article 2).

Article 14. Deputy Chairmen of the National Bank of Kazakhstan

Deputy Chairmen of the National Bank of Kazakhstan shall be appointed by the President of the Republic of Kazakhstan upon the recommendation of the Chairman of the National Bank of Kazakhstan for a term of 6 years, regardless the terms of the appointment of the Chairman of the National Bank of the Republic of Kazakhstan.

Deputy Chairmen shall represent the National Bank of Kazakhstan without a power of attorney and shall sign documents within the limits of their authority.

Article 15. Executive Board of the National Bank of Kazakhstan and its powers

The Supreme body of the National Bank of Kazakhstan is the Executive Board.

The Executive Board of the National Bank of Kazakhstan shall approve:

1) rules on minimum reserve requirements;

2) rules for setting the official exchange rate of the national currency of the Republic of Kazakhstan to foreign currencies according to the list, determined by the Executive Board of the National Bank of Kazakhstan;

3) rules for conducting securities trading by the National bank of Kazakhstan;

4) rules for exchange of banknotes and coins of the national currency of the Republic of Kazakhstan, extracting and demonetized, as well as of worn and damaged banknotes and coins of the national currency of the Republic of Kazakhstan;

5) rules of sale and buying out of the banknotes and coins of the national currency of the Republic of Kazakhstan by the National Bank of Kazakhstan;

6) rules of maintaining of cash payments with individuals and legal entities in the National bank of Kazakhstan;

7) rules for the determination of payment of banknotes and coins of the national currency of the Republic of Kazakhstan;

8) rules of records, storage, carrying and collection of banknotes, coins and values;

9) rules for replacement of monetary symbols of the national currency upon the change of their corporate design (shape);

10) rules of confiscation of cash monetary symbols out of currency circulation;

11) rules of keeping cash operations and operations on collection the banknotes, coins and values in banks and organizations, executing separate banking activities;

12) in consultation and coordination with corresponding authorized bodies the rules of the organization of security and device premises of banks and organizations, realizing separate banking activities;

13) performance requirements for counting, sorting, packing, keeping the banknotes, coins and values, as well as their issuance to banks and their customers under the instruction of banks, realized by organizations, having a license of the National Bank of Kazakhstan for conducting an operation on collection of banknotes, coins and values;

14) terms and conditions for licensing of the activities on collection of banknotes, coins and values of legal entities, that are not the banks;

15) instruction on organization of automobile encashment carriage in the Republic of Kazakhstan;

16) rules and regulations, concerning the functioning of payment systems, including the rules for transfer of money in the inter-bank money transfer system, rules for engagement in the clearing system, the rules for the functioning of payment systems, the operator of which is the National Bank of Kazakhstan or its affiliates;

17) requirements for organizational measures and software and hardware tools that provide access to banks and organizations, engaged in certain types of banking operations, payment systems;

18) rules for the enforcement of inter-bank clearing in the Republic of Kazakhstan;

19) regulatory legal acts regarding the issuance, use and execution of payment orders, payment request-orders, collection orders, checks, direct debiting of bank account, conducting operations with letters of credit, accounting and rediscounting of promissory notes, conducting operations with promissory notes and bills of exchange, issuing and using of payments cards and other ways of implementation of payment on a non-cash basis and money transfer, established in accordance with legislation of the Republic of Kazakhstan, making payments with the use of cash , as well as payment on a non-cash basis and money transfer without opening of a bank account;

20) rules for providing e-banking in the exercise of banking activity;

21) rules of exchange of e-documents in the exercise of payments and money transfers in the Republic of Kazakhstan;

22) rules of issuing, usage and reimbursement of E-money, as well as requirements for the emitter of E-money and systems of E-money on the territory of the Republic of Kazakhstan;

23) rules specifying requirements to the protection level of bill paper, produced within or imported in the territory of the Republic of Kazakhstan, as well as technical requirements for paper bill;

24) rules, establishing the order of opening, keeping and closing of an account;

25) rules of representation of data on payments and money transfers, executed through the electronic terminals and remote access systems, as well as with the use of E-money;

26) rules for the application of codes of the sectors of economy and destination of payments and representation data on payments in accordance with them;

27) rules for the granting of bank lending by the National Bank of Kazakhstan to the banks, including as a moneylender of the final instance, as well as to legal entities, opening banking accounts in the National Bank of Kazakhstan;

28) rules of establishing the correspondent relations between the National Bank of Kazakhstan and the banks, as well as organizations, perfroming separate banking activities;

29) rules of establishing the correspondent relations between banks, as well as banks and organizations, realizing separate banking activities;

30) limits of payments and money transfers on the correspondent accounts of banks and organizations, performing separate banking activities;

31) requirements for the content of an excerpt on monetary movement under banking accounts of the client;

32) rules, establishing the order of recognition the financial organizations as the strategic one;

33) instructions for forms, terms and the order of presentation of accounting by the second-tier banks on export operations with refine gold and silver in bars;

34) regulatory legal acts, regulating the activity of the financial market and financial organizations, as well as other persons in accordance with this Law and other Laws of the Republic of Kazakhstan;

35) regulatory legal acts, regulating the activity of the regional financial center of Almaty city;

36) rules of fixation of the limits of deviation rate of purchase from the selling rate of the foreign currency for a tenge on operations, conducted through the exchange offices;

37) rules of the organization of exchange operations with foreign currency in cash in the Republic of Kazakhstan;

38) rules of implementation of exchange transactions in the Republic of Kazakhstan;

39) rules of implementation the export-import exchange control in the Republic of Kazakhstan and on obtainment the account numbers for export-import contracts by residents;

40) rules of implementation the monitoring of exchange activities of non-residents, carrying out the activity in the territory of the Republic of Kazakhstan;

40-1) rules of opening, keeping and closing of coin accounts by banks;

41) regulatory legal acts, on accounting, including standard accounting plans, instructions on accounting records maintenance, rules for the organization of accounting records maintenance and rules for automation of accounting records maintenance that are binding on all financial organizations, special financial companies, Islamic special financial companies, micro-financial organizations, Development Bank of Kazakhstan and investment funds;

42) in consultation and coordination with the authorized body, realizing regulation of activity in the field of accountancy and financial accounting, standards for financial reporting, on the questions, not covered by international accounting standards, as well as methodological recommendations to them;

43) regulatory legal acts, in due form, either requirements to the forms, meeting the standard international requirements of financial accounting, list, terms and order of presentation of financial accounting by financial organizations, special financial companies, Islamic special financial companies, Development Bank of Kazakhstan and investment funds;

44) regulatory legal acts on list, order and terms of publication the financial accounting by the joint stock companies and financial organizations;

45) accounting policy, standard chart of accounts and regulatory legal acts of the National Bank of Kazakhstan on the issues of accountancy and financial accounting of the National Fund of the Republic of Kazakhstan;

46) in agreement with the authorized body, carrying out the management in the field of tax and other compulsory payments to the budget, form and content of the check-out check of computing systems, applied by the banks and organizations, performing separate banking activities;

47) regulatory legal acts on accumulation of administrative data on the currency exchange regulation, formation of review of finance sector from financial organizations of available currency circulation, payments and money transfers, financial stability, regulation, control and supervision of financial organizations, as well as the instruction on presentation of regulated banks, Development Bank of Kazakhstan and mortgage organizations to the National Bank of Kazakhstan data for the formation of review of finance industry and instruction on the implementation of monitoring of demand and supply, as well as directions of foreign currency on domestic exchange market;

48) in consultation with the central authorized body on budget executions, rules of implementation of investment operations of the National fund of the Republic of Kazakhstan, as well as the financial statement of fiduciary management by the National fund of the Republic of Kazakhstan, represented to the Government of the Republic of Kazakhstan;

49) rules of conversion and reconversion of assets of the National fund of the Republic of Kazakhstan;

50) rules for selection of external trustee for managing assets of the National fund of

the Republic of Kazakhstan;
51) rules of realization the priority rights of the state on acquisition of the fine gold for renewal of assets in precious metals;
52) rules of assignment to a position and termination of employment agreement with employees of the National Bank of the Republic of Kazakhstan and its departments;
53) rules for procurement of goods, works and services by the National bank of Kazakhstan , its agencies and legal entities, in respect of which, it constitutes as a founder (authorized body)or a shareholder;
54) statute on the subdivision of the internal audit, as well as regulatory legal acts, establishing the order of organization and conducting of the internal audit in the National Bank of Kazakhstan;
55) instructions for procurement, usage and abolishment of bank identification codes by the National Bank of Kazakhstan, as well as assignment and abolishment of codes of banks and organizations, carrying out separate banking activities and codes of branches of banks and organizations, carrying out separate banking activities, their structure, formation and maintenance of the Directory of banks and organizations engaged in separate banking activities;
55-1) investment policy statement of uniform pension savings fund, as well as amendments and additions to it;
55-2) selection rules of administrators of investment portfolio, carrying out the activity under license of the National Bank of the Republic of Kazakhstan, including requirements applicable to them, by instructing them to commit acts, necessary for the management of benefit assets of a single pension savings fund;
55-3) selection rules of foreign organizations, managing benefit assets of a single pension savings fund, including requirements to them, by instructing them to commit acts, necessary for the management of benefit assets of a single pension savings fund;
56) other regulatory legal acts of the National Bank of the Republic of Kazakhstan in accordance with this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.
Executive Board of Directors of the National Bank of Kazakhstan shall:
1) approve the state monetary policy;
2) establish the official rate of refinance;
3) establish standards of minimum reserve requirements;
4) come to a decision on processing and monetizing of banknotes and coins of the national currency of the Republic of Kazakhstan, including orders from other countries, exchange of banknotes and other coins of the national currency of the Republic of Kazakhstan, by the change of their design and form, as well as establish a procedure of exchange of worn and damaged banknotes and coins of the national currency of the Republic of Kazakhstan;
5) determine a nominal value and design of banknotes and coins based on the concept, confirmed by the President of the Republic of Kazakhstan;
6) determine the subject of issuing, drawing lots of production, bullion, terms and vintage of collectors’ and investment coins;
7) assign a limit of deviation of purchase rate from selling rate of foreign currency for tenge on transactions, conducted through exchange offices;
8) assign a size and order of formation of charter capital for authorized organizations;
9) determine basic principles of assets management in foreign currency and precious metals, including their structure;
10) determine the activity, relating to the monetary;
11) determine the category of legal entities, served by the National Bank of Kazakhstan;
12) consider, adopt and submit for approval the annual report of work of the National Bank of the Republic of Kazakhstan to the President of the Republic of Kazakhstan;
13) consider, approve and submit for approval the structure, general staff size, remuneration system of the National Bank of Kazakhstan and Regulation on the National Bank of Kazakhstan, as well as amendments and additions to them to the President of the Republic of Kazakhstan;

14) confirm the budget (budget of expenditure) of the National Bank of Kazakhstan;

15) consider and confirm the annual consolidated financial statement of the National Bank of Kazakhstan;

16) approve employment conditions, its payment, social security, advanced training and retraining of employees of the National Bank of Kazakhstan, its branches, representative offices, departments and organizations;

17) identify an official at the level, that is not below the Vice Chairman of the National Bank of Kazakhstan, in powers of which enters operational decisions on fiduciary management by the National fund of the Republic of Kazakhstan (authorized representative);

18) determine applying procedure to financial and other organizations of restricted measures, sanctions and other measures, provided by laws of Republic of Kazakhstan, in case of violation of the requirements of the laws and other regulatory legal acts of the Republic of Kazakhstan on issues, entered in their competence;

19) consider the issue on providing a loan to banks as the lender of final instance, as well as the owners of bank accounts, opened in the National Bank of Kazakhstan, for a term, not exceeding one year on security of highly liquid, riskless capital issues and other assets in national and foreign currencies;

20) make decisions on establishment and participation in the activity of organizations, including contributing to the implementation by the National Bank of Kazakhstan the assigned functions and being a part of infrastructure of the financial market;

21) adopt the decision on participation of the National Bank of Kazakhstan in international and other organizations in accordance with this Law;

22) adopt the decision on the establishment of advisory and negotiating bodies of the National Bank of Kazakhstan;

23) approve a medium – term plan of financial audits and an annual statement of organizational unit of internal audit;

23-1) determine foreign custodians, which open account of the National bank of Kazakhstan for record and keeping of benefit assets of a single pension savings fund;

24) perform other functions and powers, provided by this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. Article 15 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 first official publication); as amended by the Laws of the Republic of Kazakhstan, dated 26.11.2012 No. 57-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 16. Composition of the Executive Board of the National Bank of Kazakhstan

Executive Board of the National Bank of Kazakhstan consists of nine members.

The Executive Board of the National Bank of Kazakhstan consists of the Chairman of the National Bank of Kazakhstan and five officials of the National Bank of Kazakhstan, one representative of the President of the Republic of Kazakhstan and two representatives of the Government of the Republic of Kazakhstan.

Members of the Executive Board of the National Bank of Kazakhstan from the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and the National Bank of Kazakhstan shall be appointed and dismissed respectively by the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and the Chairman of the National Bank of Kazakhstan.

Footnote. Article 16 is in the wording of the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 5 December 1995, No. 2672; as amended by the

Laws of the Republic of Kazakhstan, dated 11.07.1997 No. 154; dated 05.07.2006 No. 165 (the order of the enforcement, see Article 2); dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 17. Executive Board session of the National Bank of Kazakhstan

Executive Board Sessions of the National Bank of the Republic of Kazakhstan are held as and when needed, but not less once every month.

Extraordinary sessions of the Executive Board of the Bank of Kazakhstan are held at the request of the Chairman of the National Bank of Kazakhstan or three Executive Board members.

Executive Board members of the National Bank of Kazakhstan are notified timely of the appointment of the Executive Board session.

Executive Board session of the National Bank of Kazakhstan shall be conducted by the Chairman of the National Bank of Kazakhstan and in case of his (her) absence – an individual, replacing him (her).

The Executive Board is authorized to take a decision with the participation of at least two thirds of Executive Board members, including the Chairman of the National Bank of Kazakhstan, or an individual, replacing him (her).

The Executive Board decision shall be taken by a simple majority vote of Executive Board members. In case of equality of votes, the vote of the Chairman of the National Bank of Kazakhstan shall be casting.

No later than one week term the Chairman of the National Bank of Kazakhstan has a right to return the Executive Board decision with his (her) objections for a second discussion and voting. If the Executive Board confirms the earlier decision by two-thirds of Executive Board members, the Chairman of the National Bank of Kazakhstan shall sign the decision.

Footnote. Article 17, as amended by the Laws of the Republic of Kazakhstan dated 11 July 1997 No. 154; dated 16 July 1999 No. 436.

Article 18. Resignation and termination of appointment

The Chairman of the National Bank of Kazakhstan shall have the right to resign by submitting his (her) written application two months before retiring, to the President of the Republic of Kazakhstan.

The Chairman of the National Bank of Kazakhstan shall be dismissed by the President of the Republic of Kazakhstan.

Deputies of the Chairman shall be dismissed by the President of the Republic of Kazakhstan on presentation of the Chairman of the National Bank of Kazakhstan.

Deputies may resign by submitting a written application to the President of the Republic of Kazakhstan, through the Chairman of the National Bank of Kazakhstan for two months before retiring.

Footnote. Article 18 – as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 5 December 1995 No. 2672.

Article 19. Board of Directors of the National Bank of Kazakhstan and its powers

The Board of Directors (Directorate) of the National Bank of Kazakhstan is the operational management of the National Bank of Kazakhstan.

The Board of Directors consists of the Chairman of the National Bank of Kazakhstan, his (her) deputies, heads of structural subdivisions and departments of the National Bank of Kazakhstan, on the presentation of the Chairman of the National Bank of Kazakhstan. Panel of the Board of Directors of the National Bank of Kazakhstan shall be approved by the Chairman of the National Bank of Kazakhstan.

The Chairman of the National Bank of Kazakhstan shall preside at sessions of the Board of Directors. On his behalf, the Board session may be led by the Deputy Chairman of the National Bank of Kazakhstan.

The Board of Directors, in accordance with this Law, shall take decisions on issues within the jurisdiction of the National Bank of Kazakhstan, except for those issues that fall within the competence of the Board and the Chairman of the National Bank of Kazakhstan (or his (her) deputies).

The Board of Directors shall adopt resolutions on issues within its competence.

The Board of Directors shall determine the structure of the annual consolidated financial statement of the National Bank of Kazakhstan.

Footnote. Article 19 as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 4 December 1995 No. 2672; by the Laws of the Republic of Kazakhstan dated 11 July 1997 No. 154; dated 16 July 1999 No. 436; dated 2 March 2001 No. 162 (see Article 2); dated 10 July 2003 No. 483 (shall be enforced from 1 January 2004); dated 05.07.2012 No. 30-V(shall be enforced upon expiry of ten calendar days after its first official publication).

Article 20. Branches, representative offices, departments and organizations of the National Bank of Kazakhstan

Footnote. Title of Article 20 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 first official publication).

Branches, representative offices and departments of the National Bank of the Republic of Kazakhstan conduct its activities within the limits of their powers, established by the National Bank of Kazakhstan.

Organizations of the National Bank of Kazakhstan are legal entities are established and terminate its activities in accordance with the legislative acts, with the specifications established by this Law.

National Bank of Kazakhstan shall decide on the establishment, reorganization and liquidation of his organizations, and shall be their founder and authorized state body, functioning as the owner of state owned assets, including the power to regulate their activities and making decisions to change the legal status of these organizations.

Footnote. Article 20, as amended by the Laws of the Republic of Kazakhstan dated 27.01.1996 N. 2830; dated 11.07.1997 No. 154; dated 01.03.2011 No. 414-IV (shall be enforced from the date of 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).

Chapter 4-1. EMPLOYEES OF THE NATIONAL BANK OF KAZAKHSTAN AND ITS DEPARTMENTS

Footnote. The Law is supplemented by Chapter 4-1 in accordance with 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 first official publication).

Article 20-1. Composition of positions of employees of the National Bank of Kazakhstan and its departments and the regulation of their employment

Employees of the National Bank of Kazakhstan and its departments are persons, not related to the administrative state and civil servants, holding the positions at the National Bank of Kazakhstan and its departments, and the remuneration to them is paid from the budget (cost estimates) of the National Bank of Kazakhstan.

The composition of positions of employees of the National Bank of Kazakhstan and its departments shall include the positions:

1) political civil servants;

2) employees of the National Bank of Kazakhstan and its departments;

3) technical employees of the National Bank of Kazakhstan and its departments.

Employees of the National Bank of Kazakhstan and its departments are persons that are not related to civil servants, and performing official duties at the National Bank of Kazakhstan and its departments, aimed at achieving the objectives and functions of the state.

The official powers mean the rights and obligations under a particular public duties of employees in the National Bank of Kazakhstan and its departments that meet the goals and objectives facing the National Bank of Kazakhstan.

List of positions of employees of the National Bank of Kazakhstan and its departments is approved by the President of the Republic of Kazakhstan.

Technical employees of the National Bank of Kazakhstan and its departments are the persons not related to the civil servants, and performing work duties for maintenance and operation of the National Bank of Kazakhstan and its departments.

List of technical staff positions is approved by the Board of Directors of the National Bank of Kazakhstan.

Work of employees of the National Bank of Kazakhstan and its departments is regulated by the Labour Code of the Republic of Kazakhstan with the special aspects, stipulated in this Law and other regulatory legal acts of the Republic of Kazakhstan.

Compensation of employees of the National Bank of Kazakhstan and its departments is established on the basis of uniform payment system to state employees of the Republic of Kazakhstan, approved by the President of the Republic of Kazakhstan.

Article 20-2. Terms of appointment of employees of the National Bank of Kazakhstan and its departments

Persons, applying for the position of an employee of the National Bank of Kazakhstan and its departments, should have education, level of professional training necessary for the appointment to the corresponding position in the National Bank of Kazakhstan and its departments.

Holding a position of the employee of the National Bank of Kazakhstan and its departments is carried out after compulsory special examination.

The following persons cannot be appointed to the position of an employee of the National Bank of Kazakhstan and its departments:

1) a person, recognized in the manner prescribed by law as incapable or partially capable ;

2) a person, that during the three years prior to his (her) appointment as an employee of the National Bank of Kazakhstan and its departments brought to disciplinary liability for corruption offences;

3) a person, that commit corruption crime;

4) a person, dismissed for corruption offences;

5) a person, that has a criminal record, which at the time of holding a position of an employee of the National Bank of Kazakhstan and its departments are not canceled or withdrawn in accordance with the law;

6) a person, that has not undertaken a special examination for compliance with anti-corruption legislation of the Republic of Kazakhstan.

Terms of appointment and termination of employment contracts with employees of the National Bank of Kazakhstan and its departments are approved by the Board of the National Bank of Kazakhstan.

Article 20-3. Termination of employment contract with employees of National Bank of Kazakhstan and its departments

Termination of employment contract with employees of the National Bank of Kazakhstan and its departments is made on the following grounds:

1) provided by the Labour Code of the Republic of Kazakhstan;

2) achievement of the retirement age, set by the law of the Republic of Kazakhstan, with the right to the annual renewal of their employment with the National Bank of Kazakhstan and its departments;

3) the negative results of a special examination for compliance with anti-corruption legislation of the Republic of Kazakhstan;

4) submission of false information about his (her) income and assets;

5) non-compliance with obligations and restrictions, established by this Law and the Law of the Republic of Kazakhstan “On combating corruption”;

6) non-transfer into trust management the self-owned investment funds, bonds and shares of commercial organizations;

7) providing for admission to the National Bank of Kazakhstan and its departments the false documents or information that could be grounds for refusal to hire;

8) negative results of certification;

9) other grounds provided for by the laws of the Republic of Kazakhstan.

Article 20-4. The rights and obligations of employees of the National Bank of Kazakhstan and its departments

1. Officials of the National Bank of Kazakhstan and its departments shall have the right to:

1) use the rights and freedoms, guaranteed to citizens by the Constitution of the Republic of Kazakhstan and the Labour Code of the Republic of Kazakhstan;

2) participate within their authority in considering the issues and decision-making, demand their execution by the relevant bodies and officials;

3) obtain in the prescribed manner the information and materials, necessary for the performance of official duties;

4) attend the organization in the order, established by the laws of the Republic of Kazakhstan for the execution of official duties;

5) require the manager the exact definition of the tasks and scope of official powers in accordance with the position, occupied by employees of the National Bank of Kazakhstan and its departments;

6) respect the personal dignity, fair and respectful attitude on the part of managers and other individuals and officials;

7) the training (retraining) and advanced training at the expense of the budget (cost estimates) of the National Bank of Kazakhstan;

8) unimpeded access to materials that relate to their official duties, and if necessary, give personal explanation;

9) promotion to the positions with regard to qualifications, abilities, and the conscientious performance of their official duties;

10) require the internal investigation in the presence of unfounded charges, according to the opinion of an employee;

11) be engaged in teaching, research and other creative activities.

2. Employees of the National Bank of Kazakhstan and its departments shall:

1) comply with the Constitution and legislation of the Republic of Kazakhstan;

2) take an oath in the manner, determined by the National Bank of Kazakhstan;

3) ensure the respect for and protection of rights, freedoms and legitimate interests of individuals and legal entities, consider in the manner and terms, established by the legislation of the Republic of Kazakhstan, the letters of individuals and legal entities, and take the necessary measures on them;

4) exercise the powers within the rights, granted to them and in accordance with the duties;

5) carry out orders and instructions of executives, decisions and instructions of higher authorities and officials, issued within their powers;

6) maintain the confidentiality of the received in the performance of official duty information, affecting the privacy and dignity of individuals, and do not require them to provide such information, except as provided by the legislation of the Republic of Kazakhstan;

7) ensure the safety of state property;

8) immediately bring to the attention of administration or to law enforcement agencies about the cases of corruption offences became known to them;

9) improve their professional level and qualifications for the effective exercise of official duties;

10) not disclose to third parties the service, commercial, banking secrecy, insurance secret, pension savings and other information in any form available to the perception on all types of media, received in the performance of their official duties, including the information obtained when working with automated information subsystems (if there is an access to them), except as provided by the laws of the Republic of Kazakhstan;

11) within one month from the date of holding a position of an employee of the National Bank of Kazakhstan or its departments, transfer into trust management and submit to the personnel department of the National Bank of Kazakhstan, a notarized copy of the contract for trust management of the self-owned investment funds, bonds, and shares of commercial organizations.

3. Employees of the National Bank of Kazakhstan and its departments may not acquire investment funds, bonds, shares of commercial organizations.

4. Employees of the National Bank of Kazakhstan and its departments in the case of performance of their official duties provide inspections of financial institutions, their branches and affiliates, the Development Bank of Kazakhstan, legal entities, operating in the securities market, securities issuers, credit bureaus, insurance holdings, insurance groups, special purpose companies, Islamic special finance companies, investment funds, users of payment systems, as well as persons engaged in foreign exchange transactions, temporary administration (temporary administrator), liquidation commissions of banks, insurance (reinsurance) companies (hereinafter - the audited entity) shall promptly report to senior administration of all circumstances that may prevent a clear and impartial exercise of official powers, including:

about close relatives (cousin-in-law), spouses who are senior officials of the audited entities;

close relatives or spouses working in the audited entity;

obtained in the audited entity loans and other property obligations, to the audited entities.

Footnote. Article 20-4, as amended by Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 20-5. Responsibility of employees of the National Bank of Kazakhstan and its departments

1. Employees and technical employees of the National Bank of Kazakhstan and its departments shall be responsible for failure to perform or improper performance of the assigned duties and labour discipline in accordance with the Labour Code of the Republic of Kazakhstan.

2. For a corruption offence, if it contains no evidence of a criminal offence, the employees of the National Bank of Kazakhstan and its departments shall be subject to the following types of disciplinary penalties:

1) warning about the service incompetence;

2) demotion;

3) termination of employment contract.

Disciplinary penalty in the form of a warning about the service incompetence is imposed without the possibility of imposing a disciplinary penalty in the form of a demotion.

Disciplinary penalty in the form of demotion is imposed in the presence of a lower vacant position.

Disciplinary penalty in the form of termination of employment is imposed on the grounds, stipulated by the Law of the Republic of Kazakhstan “On combating corruption”.

3. Disciplinary penalty:

1) is imposed by an official, entitled to the appointment and dismissal of employees of the National Bank of Kazakhstan and its departments, subject to disciplinary responsibility;

2) cannot be imposed again for the same offence;

3) is applied in the order, determined by an act of the National Bank of Kazakhstan.

4. Officials of the National Bank of Kazakhstan and its departments that committed a disciplinary offence may be temporarily suspended from official duties, by the official, entitled to appoint and dismiss him (her), to addressing the issue of liability in the prescribed manner.

5. Disciplinary penalty for corruption offences or offences that creates conditions for corruption is imposed not later than three months from the date of discovery of the offence and may not be imposed within one year from the date of commission of the offence.

6. In case of refusal to initiate criminal proceedings or termination of the criminal case, but if in the presence in actions of the person the signs of corruption disciplinary offence, the disciplinary penalty may be imposed no later than three months from the date of the decision on refusal to initiate criminal proceedings or its termination, but not later than one year from the date of commission of the offence.

7. During the one-year and three-month periods the imposition of disciplinary penalties shall be suspended in accordance with the labour legislation of the Republic of Kazakhstan for the absence of employees of the National Bank of Kazakhstan and its agencies at work in connection with a temporary disability, release from work to meet state or public duties, staying in a holiday, or in a business trip.

8. Officials and technical employees of the National Bank of Kazakhstan and its agencies should be mandatory familiar with all materials, related to the disciplinary liability, they are given the right to participate personally in the process of an internal investigation.

9. Actions and decisions of the National Bank of Kazakhstan may be appealed to the court by the prosecuted officials and technical employees of the National Bank of Kazakhstan and its agencies.

10. Officials and technical employees of the National Bank of Kazakhstan and its agencies in case if they commit crimes and other offences shall bear respectively criminal, administrative, financial responsibility on the grounds and in the manner, prescribed by the laws of the Republic of Kazakhstan.

Chapter 5 INTERACTION OF NATIONAL BANK OF KAZAKHSTAN WITH STATE AUTHORITIES

Article 21. Basic principles of interaction

National Bank of Kazakhstan within its authority, granted to it by the laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan is independent in its activities. The representative and executive authorities may not interfere in the activities of the National Bank of Kazakhstan, its branches, representative offices, agencies and organizations in the implementation of its legislated authority.

Footnote. Article 21, as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law dated 5 December, 1995 No. 2672; by the Laws of the Republic of Kazakhstan dated 11.07.1997 No. 154; dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 22. The Government of the Republic of Kazakhstan and the National Bank of Kazakhstan

National Bank of Kazakhstan shall coordinate its activities with the Government of the Republic of Kazakhstan. National Bank of Kazakhstan and the Government must inform each other about the prospective activities and the results of national importance, and hold regular consultations.

National Bank of Kazakhstan takes into account in its activities the economic policy of the Government and contributes to its implementation, if it is not contrary to the performance of its main functions and the implementation of monetary policy.

Chairman of the National Bank of Kazakhstan, or one of his (her) deputies shall have the right to participate in government sessions in a consultative capacity.

The Government shall not be liable for the obligations of the National Bank of Kazakhstan , as well as the National Bank of Kazakhstan shall not be liable for the obligations of the Government, except when it takes on that responsibility.

National Bank of Kazakhstan and the Government of the Republic of Kazakhstan shall cooperate on the issues of stability of financial system through the joint risk assessment for financial stability, development, adoption and implementation of a set of consistent solutions in order to prevent systemic financial crisis and minimize its effects.

Footnote. Article 22, as amended by the Laws of the Republic of Kazakhstan dated 08.07.2005 No. 69; dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 23. National Bank of Kazakhstan - a bank, a financial adviser and agent

National Bank of Kazakhstan may act as a bank, financial adviser and agent of the state bodies in agreement with them.

Footnote. Articles 23-28 – are in the wording of the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154.

Article 24. National Bank of Kazakhstan – a bank of the Government of the Republic of Kazakhstan

The Government of the Republic of Kazakhstan allocates its funds in the National Bank of Kazakhstan. National Bank of Kazakhstan makes payments, carries out other transactions on the accounts of the Government, as well as offers other services to it.

Direct funding of the Government of the Republic of Kazakhstan by the National Bank of Kazakhstan is not allowed.

Footnote. Article 24, as amended - by the Laws of the Republic of Kazakhstan dated 8 December, 1997 No. 200; dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 25. National Bank of Kazakhstan – a financial adviser of the Government of the Republic of Kazakhstan

National Bank of Kazakhstan is acting as financial adviser to the Government of the Republic of Kazakhstan in the development and implementation of government borrowing, the formation of fiscal policy on the issues, related to monetary policy.

Article 26. National Bank of Kazakhstan – an agent of the Government of the Republic of Kazakhstan

National Bank of Kazakhstan acts as an agent of the Government of the Republic of Kazakhstan on the terms that have been agreed between the National Bank of Kazakhstan and the Government of the Republic of Kazakhstan.

National Bank of Kazakhstan, as an agent of the Government of the Republic of Kazakhstan, serves the government loans of the Government an agreement with it.

Article 27. Transactions with public securities, issued by a decision of the Government of the Republic of Kazakhstan

National Bank of Kazakhstan shall have the right to conduct transactions with public securities issued by a decision of the Government of the Republic of Kazakhstan.

National Bank of Kazakhstan may not acquire in its property the public securities of the central authorized body for budget execution during their placement in the primary market.

The central authorized body for budget execution agrees with the National Bank of Kazakhstan the monthly volume of issuance of public securities and repayment of public debt of the Government with respect to their impact on the liquidity of the banking system and the priorities of monetary policy, the terms of admission of financial institutions to the primary placement of public securities, issued by the decision of the Government.

Footnote. Article 27, as amended - by the Law of the Republic of Kazakhstan dated 10 July , 2003 No. 483 (shall be enforced from 1 January, 2004); dated 5 July, 2006 No. 165 (the order of enforcement see Article 2).

Article 28. Regulation of circulation of public securities

National Bank of Kazakhstan shall regulate the circulation of public securities of the Government of the Republic of Kazakhstan and the local executive bodies in agreement with the central authorized body for budget execution.

Footnote. Article 28 - is in the wording of the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); as amended by the Law of the Republic of Kazakhstan dated 5 July, 2006 No. 165 (the order of enforcement see Article 2).

Chapter 6 MONETARY POLICY

Article 29. Development and implementation of monetary policy

National Bank of Kazakhstan is the only body that defines and implements the state monetary policy of the Republic of Kazakhstan. Monetary policy is implemented by the National Bank of Kazakhstan in order to ensure the price stability.

Monetary policy is implemented through the establishment of:

the official refinancing rate;

the levels of interest rates on the main transactions of monetary policy;

the minimum reserve requirements;

in exceptional cases, the direct quantitative restrictions on the level and amount of certain types of transactions.

Footnote. Article 29 - is in the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004). It is amended - by the Law of the Republic of Kazakhstan dated 8 July, 2005 No. 69.

Article 30. Types of transactions of monetary policy

In order to implement monetary policy, the National Bank of Kazakhstan shall perform the following operations:

1) granting loans;

2) acceptance of deposits;

3) foreign currency intervention;

4) issuance of short-term notes of the National Bank of Kazakhstan;

5) purchase and sale of state and other securities, including the right of re-purchase;

6) rediscounting of commercial bills;

7) other transactions by a decision of the National Bank of Kazakhstan.

Footnote. Article 30, as amended - by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154, is in the new wording - by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 31. Official refinancing rate

National Bank of Kazakhstan shall establish the official refinancing rate, depending on the overall state of the money market, supply and demand for loans, inflation level and inflation expectations.

National Bank of Kazakhstan shall, in accordance with the official refinancing rate, make the rediscounting of commercial bills.

Official refinancing rate is a benchmark for the rates of remuneration for basic transactions of monetary policy.

Footnote. It is amended - by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; is in the new wording - of the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 32. Reserve requirements

The National Bank of Kazakhstan shall, in order to implement monetary policy, establish the minimum reserve requirements.

National Bank of Kazakhstan shall approve the rules on minimum reserve requirements, the structure of banks' liabilities taken to calculate, the conditions for exercising the minimum reserve requirements, the reserving procedure, and control their implementation.

Changing the minimum reserve requirements shall be entered into effect no earlier than one month from the date of such decision.

In case of violation of the minimum reserve requirements, the banks shall be liable under

the laws of the Republic of Kazakhstan.
In ten days from the date of appointment of the chairman of the liquidation commission, the National Bank of Kazakhstan shall return to a liquidation commission of a bank, the reserved funds.
Footnote. Article 32 is in the wording of the Law of the Republic of Kazakhstan dated 08.07.2005 No. 69; as amended by 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 first official publication).

Article 33. Buying and selling securities

Buying and selling of state and other securities is carried out by the National Bank of Kazakhstan within the general monetary policy.
Footnote. Article 33 - is in the wording of the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 34. Rates of remuneration on the basic transactions of monetary policy

National Bank of Kazakhstan shall establish the rates of remuneration for the basic transactions of monetary policy in order to influence to the market remuneration rates on the financial market, within the conducted monetary policy.
Footnote. Article 34 - is in the wording of the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 35. Loans

National Bank of Kazakhstan regulates the total amount of borrowing by banks in accordance with the established guidelines of monetary policy.
The order and terms of borrowing and repayment, types, timing and limits of loans, provided to the banks are determined by the National Bank of Kazakhstan.
National Bank of Kazakhstan provides loans to banks against collateral by highly liquid and risk-free securities and other assets, and without providing such collateral for a term not exceeding one year. This period may be extended by the Board of the National Bank of Kazakhstan .
Subject of a pledge to ensure the performance of obligations for loans of the National Bank of Kazakhstan may be the property, provided by the regulatory legal acts of the National Bank of Kazakhstan.
Footnote. Article 35 is in the wording of the Law of the Republic of Kazakhstan dated 10.07.2003 No. 483 (shall be enforced from 01.01.2004); as amended by 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 first official publication).

Article 36. Foreign currency interventions

Foreign currency interventions of the National Bank of Kazakhstan are implemented independently by buying and selling foreign currency and carrying out other types of foreign currency transactions in the interbank or exchange market in order to influence to the rate of tenge.
Foreign currency interventions of the National Bank of Kazakhstan are implemented within

the general monetary policy.
Footnote. Article 36 is in the new wording - of the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from January 1, 2004).

Article 36-1. Deposits

The order, conditions for attracting and repayment, timing and limits of attracting deposits are determined by the National Bank of Kazakhstan.
National Bank of Kazakhstan shall have the right to attract deposits as in national, and in foreign currency.
Footnote. It is supplemented by Article 36-1 - by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 36-2. Short-term notes of the National Bank of Kazakhstan

Short-term notes of the National Bank of Kazakhstan are the public securities, issued by the National Bank of Kazakhstan, the obligations under which carries the National Bank of Kazakhstan.
The procedure and conditions of issuance, placement, circulation and repayment of short-term notes are determined by the National Bank of Kazakhstan.
National Bank of Kazakhstan in accordance with the objectives of monetary policy is entitled to issue short-term notes as in national, and in foreign currency.
Footnote. It is supplemented by Article 36-2 - by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); as amended by 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 first official publication).

Article 36-3. Rediscounting of commercial bills

National Bank of Kazakhstan shall establish the procedure for rediscounting of commercial bills and the conditions for receiving commercial bills for rediscounting of the National Bank of Kazakhstan.
Footnote. It is supplemented by Article 36-3 - by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 37. Quantitative restrictions on banks’ operations

Direct quantitative restrictions of the National Bank of Kazakhstan are the maximum interest rates on certain types of operations and transactions, direct credit crunch, freeze of remuneration rates, direct regulation of specific types of credit in order to encourage or deter the development of certain industries.
National Bank of Kazakhstan shall have the right to apply direct quantitative restrictions in case of impossibility of suspending inflation processes by indirect methods of monetary control.
Footnote. Article 37, as amended - by the Law of the Republic of Kazakhstan dated 11 July , 1997 No. 154.

Chapter 7 MONEY CIRCULATION AND MONETARY UNIT

Article 38. Monetary unit

Monetary unit (the national currency) of the Republic of Kazakhstan is the Kazakhstani Tenge. Kazakhstani Tenge consists of 100 tiyns.

Banknotes of the Republic of Kazakhstan that are in circulation consist of notes and coins.

Structure of nominal values of banknotes and coins is determined by the National Bank of Kazakhstan.

Article 39. Means of payment

Legal mean of payment in the Republic of Kazakhstan, except in cases stipulated by the legislative acts, regulatory legal acts of the National Bank of Kazakhstan, is the Kazakhstani tenge.

Footnote. Article 39 - is in the wording of the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154.

Article 40. Issue of banknotes and coins

Issue of banknotes and coins, organization of their circulation and withdrawal from the circulation on the territory of the Republic of Kazakhstan are carried out exclusively by the National Bank of Kazakhstan.

Issue of banknotes and coins in circulation is carried out by the National Bank of Kazakhstan through their sale to individuals and legal entities.

Footnote. Article 40 - is in the wording of the Law of the Republic of Kazakhstan dated 8 July, 2005 No. 69

Article 41. Ensuring of monetary unit

Banknotes and coins of the National Bank of Kazakhstan are unconditional obligations of the National Bank of Kazakhstan and provided by all of its assets.

National Bank of Kazakhstan has regularly published in the media a message of the size of foreign exchange reserves.

Footnote. Article 41, as amended by the Laws of the Republic of Kazakhstan dated 11.07.1997 No. 154; dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 42. Production and characterization of banknotes and coins

National Bank of Kazakhstan shall determine the need for the required amount of banknotes and coins, and provide their production, establish the procedure for storage, destruction and collection of cash.

Coins are divided into the following types:

investment coins - coins, made of precious metals that are subject to investment and savings;

collectible coins - anniversary, memorable and other coins of special coinage, produced as a limited edition of precious and base metal that are subject of collection and savings;

circulating coins - coins, made of precious metals and intended for cash monetary circulation.

Banknotes and coins, issued in the Republic of Kazakhstan shall have a nominal composition, shape and ornamental graphics. These characteristics of banknotes and coins are published in the press.

Footnote. Article 42, as amended - by the Law of the Republic of Kazakhstan dated 11 July , 1997 No. 154; dated 8 July, 2005 No. 69.

Article 43. Requirements for admission of banknotes and coins

Banknotes and coins, issued in circulation by the National Bank of Kazakhstan, must be accepted at their face value throughout the territory of the Republic of Kazakhstan for all types of payments, as well as to enroll in a bank account and to transfer, without limitation can be changed and exchanged in all banks of the Republic of Kazakhstan.

Nobody, except the National Bank of Kazakhstan, can annul the banknotes and coins, issued by the National Bank of Kazakhstan.

Footnote. Article 43, as amended - by the Law of the Republic of Kazakhstan dated 16 July , 1999 No. 436.

Article 43-1. Sale and re-purchase of banknotes and coins by the National Bank of Kazakhstan

Sale, re-purchase of banknotes and circulating coins by the National Bank of Kazakhstan are carried at their face value.

Sale and re-purchase by the National Bank of Kazakhstan of investment and collectible coins are carried out in the manner prescribed by regulatory legal acts of the National Bank of Kazakhstan.

Footnote. It is supplemented by Article 43-1 - by the Law of the Republic of Kazakhstan dated 8 July, 2005 No. 69.

Article 44. The right to replace monetary unit

The President of the Republic of Kazakhstan has the right to replace monetary unit. The President of the Republic of Kazakhstan shall determine the procedure, terms and conditions for the functioning of monetary unit of the Republic of Kazakhstan.

Footnote. Article 44 is in the wording of the Decree of the President of the Republic of Kazakhstan, having the force of the Law dated 5 December, 1995 No. 2672.

Article 45. Replacement of banknotes and coins

The procedure for determining the payment and exchange of the used banknotes and coins, is established by the National Bank of Kazakhstan, and shall be published.

Article 46. Worn and damaged banknotes

The worn and damaged banknotes, preserved at least seventy percent of its full size, shall be exchanged by the National Bank of Kazakhstan and other banks of the Republic of Kazakhstan without limitation.

The worn and damaged banknotes, preserved more than fifty percent, shall be accepted by the National Bank of Kazakhstan and exchanged in accordance with the established rules.

The National Bank of Kazakhstan shall not be obliged to compensate for lost or destroyed banknotes and coins.

Footnote. Article 46, as amended - by the Law of the Republic of Kazakhstan dated 16 July, 1999 No. 436; is in the new wording - of the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 47. Responsibility for illegal production of banknotes and coins

Persons, guilty of illegal production of banknotes and coins, as well as in the implementation of unauthorized cash issue, shall bear criminal and financial responsibility in accordance with the legislative acts of the Republic of Kazakhstan.

Footnote. Article 47, as amended - by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154.

Article 47-1. Organization of cash services

Footnote. Article 47-1 is excluded by the Law of the Republic of Kazakhstan dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009).

Chapter 8. Organization of payments and money transfers

Footnote. Title of the Chapter - is in the wording of the Law of the Republic of Kazakhstan dated 16 July, 1999 No. 436.

Article 48. Powers of the National Bank of Kazakhstan in the organization and regulation of payments and money transfers and payment systems

National Bank of Kazakhstan organizes, coordinates, regulates the making of payments and transfer of money and establishes:

1) the rules and special aspects of application of the methods for making payments and (or) transfer of money, the basic requirements for the content of guidelines;

2) the procedure and conditions for making payments by using cash.

National Bank of Kazakhstan adopts regulatory legal acts, aimed at ensuring efficiency and reliability of payment systems on the territory of the Republic of Kazakhstan.

Supervision (oversize) of the payment systems is the activities of the National Bank of Kazakhstan, carried out in order to ensure efficient, safe and smooth functioning of payment systems in accordance with the legislation of the Republic of Kazakhstan.

In order to supervise (oversize) the payment systems, the National Bank of Kazakhstan shall have the right to:

1) establish the procedures for supervision (oversize) of payment systems;

2) adopt regulatory legal acts that determine the conditions and the procedure for the organization and operation of payment systems;

3) monitor payment systems;

4) verify the organization and functioning of payment systems;

5) obtain the information on payments and money transfers, functioning of payment systems from participants and operators of payment systems;

6) check the activities of participants in payment systems.

National Bank of Kazakhstan, within its competence, shall be entitled to participate in the organization of international (interstate) payments.

Footnote. Article 48 - is in the wording of the Law of the Republic of Kazakhstan dated 8

July, 2005 No. 69; as amended by the Law of the Republic of Kazakhstan dated 11.07.2009 No. 185 -IV (shall be enforced from 30.08.2009).

Article 48-1. (Article 48-1 is excluded – by the Law of the Republic of Kazakhstan dated 8 July, 2005 No. 69).

Article 49. Accounts

National Bank of Kazakhstan establishes the types, legal regime and structure of bank accounts, the procedure and conditions for the opening, maintaining and closing the accounts.
Footnote. Article 49, as amended by the Laws of the Republic of Kazakhstan dated 11.07.1997 No. 154; dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009).

Article 50. Methods for making payments and transfer of money

Methods for making payments and transfer of money, used in the Republic of Kazakhstan, are established by the legislative acts and the regulatory legal acts of the Republic of Kazakhstan, adopted in accordance with them.
Footnote. Article 50 – is in the wording of the Law of the Republic of Kazakhstan dated 16 July, 1999 No. 436.

Article 51.

(Article 51 is excluded – by the Law of the Republic of Kazakhstan dated 11 July, 1997 No . 154).

Chapter 8-1. Promoting the stability of the financial system

Footnote. The Law is supplemented by Chapter 8-1 in accordance with 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 first official publication).

Article 51-1. Development and implementation of measures to ensure the stability of the financial system

National Bank of Kazakhstan alone and (or) in conjunction with other state bodies within their competence, shall develop and implement measures, aimed at ensuring the stability of the financial system.
In order to promote stability of the financial system, the National Bank of Kazakhstan shall:
1) carry out the regular monitoring of macroeconomic and macro-financial factors, affecting the stability of the financial system;
2) carry out macro-prudential regulation of the financial system;
3) act as a lender of last resort for banks in the order, and under the conditions and within the time limits, established by the Board of the National Bank of Kazakhstan.

Article 51-2. Macro-prudential regulation

Under the macro-prudential regulation is understood a complex of administrative, organizational and legal measures, aimed at regulation of systemic risk of the financial system .

Under the systemic risk is understood the risk of the financial system as a whole, the occurrence of which entails its destabilizing and undermining its stable performance.

Systemic risks of the financial system include the risks of the systemically important financial institutions.

Under systemically important financial institutions are understood the financial institutions, from the stable functioning of which depends on the stability of the financial system as a whole.

In order to implement macro-prudential regulation, the National Bank of Kazakhstan:

1) regularly monitors systemic risk of the financial system;

2) determines the procedure for designating financial institutions to the number of systematically important;

3) may establish prudential standards and (or) other binding norms and limits for systemically important financial institutions to reduce systemic risk of the financial system and prevent their occurrence;

4) in case of a threat or occurrence of a systemic financial crisis, independently or jointly with the Government of the Republic of Kazakhstan introduces the restrictions on certain types of banking operations and other financial institutions.

Chapter 9. OPERATIONS OF THE NATIONAL BANK OF KAZAKHSTAN

Article 52. Holders of bank accounts in the National Bank of Kazakhstan

Holders of bank accounts in the National Bank of Kazakhstan are legal entities that opened accounts in it, in the manner prescribed by the Board of the National Bank of Kazakhstan , and banks.

Footnote. Article 52 - is in the Law of the Republic of Kazakhstan dated 16 July, 1999 No . 436.

Article 52-1. Operations and transactions of the National Bank of Kazakhstan in national currency

National Bank of Kazakhstan performs the following operations in national currency:

1) provides loans to holders of bank accounts, opened in the National Bank of Kazakhstan for a period not exceeding one year under the provision of highly liquid, risk-free securities and other assets, except in cases, provided in this Law;

2) rediscounts commercial paper of the first-class issuers of promissory notes with the repayment periods not exceeding one year;

3) buys and sells state securities;

4) buys and sells deposit certificates, debt securities that the National Bank of Kazakhstan considers as suitable to provide loans;

5) accepts deposits, make payments and transfers of money, takes securities and other assets in deposit and management;

6) carries out transactions with derivative financial instruments;

7) if necessary, opens accounts in banks and financial institutions in the territory of the Republic of Kazakhstan and abroad;

8) writes the checks and issues promissory notes;

9) performs other banking operations, as well as transactions on its own behalf in accordance with its objectives, if it is not expressly prohibited by this Law.

Footnote. It is supplemented by Article 52-1 – by the Law of the Republic of Kazakhstan dated 16 July, 1999 No. 436; as amended – by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); dated 5 July, 2006 No. 165 (the order of enforcement see Article 2).

Article 53. Collateral

Footnote. Article 53, as amended – by the Law of the Republic of Kazakhstan dated 11 July , 1997 No. 154; Article is excluded – by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 54. Restrictions on operations of the National Bank of Kazakhstan

National Bank of Kazakhstan shall not:

- serve the organization, as well as acquire shares of legal entities, except as provided by this Law;
- engage in trading and other activities, with the exception of the those permitted by applicable legislation;
- provide loans without collateral, except in cases, expressly provided for by legislative acts of the Republic of Kazakhstan;
- roll over the granted loans or permit the renewal of bills with expiring periods.

Exception of cases, specified in part one of this Article, can only be done by a special decision of the National Bank of Kazakhstan.

Footnote. Article 54 - as amended by the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 5 December, 1995 No. 2672, is supplemented by the second part, the last paragraph of the first part – is in the wording of the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 27 January, 1996 No . 2830. It is amended – by the Laws of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 16 July, 1999 No. 436.

Chapter 10 ACTIVITY OF THE NATIONAL BANK OF KAZAKHSTAN IN FOREIGN ECONOMIC RELATIONS. OPERATIONS WITH CURRENCY VALUES

Footnote. Title of the Chapter is amended – by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154.

Article 55. The relationship of the National Bank of Kazakhstan with banks in other states

Footnote. Article is excluded – by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 56. Functions of the National Bank of Kazakhstan in the field of currency regulation and currency control

National Bank of Kazakhstan shall:

1) establish the order of circulation of currency values in the Republic of Kazakhstan;
2) establish the rules for conducting currency transactions by residents and

non-residents in the Republic of Kazakhstan;

3) establish the uniform rules and conditions for receiving the account numbers of contracts by the residents for export and import, and the procedures for export and import currency control in order to ensure the performance of the repatriation requirements by the residents;

4) is excluded by the Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication);

5) establish the procedure for licensing and issue licenses for activities of organizing the exchange operations with foreign currency;

6) regulate the registration order and issue the registration certificates to exchange points, as well as suspend their action in accordance with the currency legislation of the Republic of Kazakhstan;

7) establish qualification requirements for the activity of organizing the exchange operations with foreign currency;

8) establish the procedure for registration and notification of currency transactions, the opening of foreign bank accounts by the residents of the Republic of Kazakhstan, as well as issue the registration certificates and certificates of notification;

9) define the procedure for establishing the divergence limits of buying rate by selling rate of foreign currency for a tenge, in transactions conducted through the exchange points;

9-1) establish the procedure and monitor the currency transactions of non-residents, operating in the territory of the Republic of Kazakhstan (exchange monitoring);

10) issue special permits to conduct currency transactions within a special exchange rate arrangement;

11) establish in coordination with the state bodies in accordance with their competence, the order and forms for accounting and reporting of currency transactions, binding to non-residents in the Republic of Kazakhstan, as well as the order and timing of reporting by currency control agents;

12) in case a violation of the banking and currency legislation of the Republic of Kazakhstan by banks and other entities, impose sanctions provided by the banking and currency legislation of the Republic of Kazakhstan.

National Bank of Kazakhstan shall be entitled to perform other functions in the field of currency regulation and currency control in accordance with this Law, other laws of the Republic of Kazakhstan and the acts of the President of the Republic of Kazakhstan.

Footnote. Article 56 is in the wording of the Law of the Republic of Kazakhstan dated 04.07.2009 No. 167-IV (the order of enforcement see Art. 2); as amended by the Laws of the Republic of Kazakhstan dated 05.07.2011 No. 452-IV (shall be enforced from 13.10.2011); dated 06.01.2012 No. 530 -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 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 57. Asset management in foreign currency and precious metals

National Bank of Kazakhstan performs the following operations with assets in foreign currency and precious metals:

buys and sells foreign currency;

conducts operations with securities, issued and guaranteed by the Government of the Republic of Kazakhstan in foreign currency, by foreign governments or international financial organizations;

opens accounts in banks of the Republic of Kazakhstan, foreign central banks, foreign banks and other financial institutions that have the appropriate authorization under the legislation of the states where they are registered, as well as in international financial institutions;

opens and maintains an account, or acts as a representative or a correspondent for the foreign central bank, foreign banks and other financial institutions that have the appropriate authorization under the legislation of the states, where they are registered, foreign governments and their agents, as well as international financial institutions;

carries out the acceptance and storage of refined gold, other precious metals;

conducts operations in the purchase, sale, placement for storage and deposit of refined gold and other precious metals on the domestic and foreign markets, including the purchase of refined gold within the implementation of the priority right of the state;

in accordance with the legislation of the Republic of Kazakhstan, imports assets in foreign currency and precious metals in the Republic of Kazakhstan, as well as exports them abroad to place on their accounts in foreign banks and specialized financial institutions;

conducts securities transactions, the requirements for which are determined by the Board of the National Bank of Kazakhstan;

conducts transactions with money market instruments with counterparties that have a credit rating, a minimum level of which is determined by the Board of the National Bank of Kazakhstan;

conducts transactions with derivative financial instruments in accordance with the regulatory legal acts of the National Bank of Kazakhstan;

opens and maintains metal accounts of the customer;

performs other operations by decision of the National Bank of Kazakhstan.

National Bank of Kazakhstan carries out any currency transactions without restrictions.

To achieve the goals and objectives stipulated in this Law, the National Bank of Kazakhstan shall carry out the asset management in foreign currency and precious metals, ensuring their safety, liquidity and profitability in the long term with allowance for risk of assets investments and in accordance with the basic principles of their management.

Footnote. Article 57 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 first official publication); as amended by the Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 58. Gold and foreign currency reserves of the National Bank of Kazakhstan

Gold and foreign currency reserves of the National Bank of Kazakhstan (hereinafter - gold and foreign currency reserves) shall be formed for the purpose of securing internal and external stability of Kazakhstani tenge from the assets of the National Bank of Kazakhstan, having high liquidity on the international markets of a capital and shall include:

fine gold in bars and gold on metals accounts;

reserve position in the International Monetary Fund and assets in the special drawing rights of the International Monetary Fund;

assets in free convertible foreign currency, including cash money, deposits, placed in foreign banks, and securities, the emitters of which are the foreign governments or international financial organizations;

other external assets, denominated in free convertible foreign currencies, having liquidity and possibility of use without restricted conditions.

National Bank of Kazakhstan shall secure the maintenance of gold and foreign currency reserves on the level, required for securing stability and convertibility of the national currency, making payments on obligations of the Republic of Kazakhstan.

Use of gold and foreign currency reserves in the form of issuing credits (loans, borrowed money) and provision of guarantees or other commitments to residents and non-residents of the Republic of Kazakhstan is not allowed, with the exception of cases, provided by decision of the Board of directors of the National Bank of Kazakhstan.

Increase and change of the structure of gold and foreign currency reserves shall be

performed by the National Bank of Kazakhstan by:
purchase of fine gold for Kazakhstani tenge and foreign currency;
purchase of assets in free convertible foreign currency for Kazakhstani tenge (including commemorative and souvenir coins) and foreign currency of residents and non-residents of the Republic of Kazakhstan, as well as of the Government of the Republic of Kazakhstan;
proceeds in free convertible foreign currency of commission and other remunerations from deposit, contribution, dealing operations with foreign currency and operations with securities, denominated in foreign currency, as well as from the credits, provided by it in foreign currency;
proceeds in gold and free convertible foreign currency from the sales, depositing and other operations with gold, conducted by the National bank of Kazakhstan, including proceeds from operations with securities of the National Bank of Kazakhstan, denominated in fine gold;
proceeds in free convertible foreign currency from securities offerings in foreign currency by the National Bank of Kazakhstan;
transfer of assets in foreign currency and precious metals to the gold and foreign currency reserves in accordance with basic principles of assets management in foreign currency and precious metals;
proceeds from the credits, received by the National Bank of Kazakhstan from international financial organizations, central banks of foreign states and other creditors;
proceeds in free convertible foreign currency from the services, rendered by the National Bank of Kazakhstan, in accordance with this Law and Regulation on the National Bank of Kazakhstan.
Reduce and change of the structure of gold and foreign currency reserves shall be performed by the National Bank of Kazakhstan by:
sales of free convertible currency for the purpose of conduct of monetary management, including a policy of exchange rate, and offset a disbalance of supply and demand on foreign currency on internal currency market;
repayment and servicing of external debt of the Republic of Kazakhstan, fulfillment of obligations of the Government of the Republic of Kazakhstan and the National Bank of Kazakhstan , international obligations of the Republic of Kazakhstan, including international obligations of the National Bank of Kazakhstan, at the expense of budget and the budget (expenditure estimate) of the National Bank of Kazakhstan;
payment of import of production (works, services), maintenance of diplomatic and other representative offices abroad, payment of business trip and representational expenses;
sale of assets in free convertible foreign currency for purchasing other foreign currency ;
redemption of equity securities of the National Bank of Kazakhstan;
refund of principal sum and remuneration on the credits, received by the National Bank of Kazakhstan, as well as payments of commission and other their accompanying expenses;
transfer of gold and foreign currency reserves to the other assets in foreign currency and precious metals in accordance with basic principles of assets management in foreign currency and precious metals;
sale of fine gold for Kazakhstani tenge and foreign currency;
payment of expenses, linked with management and keeping of assets in foreign currency and precious metals;
writing off of the detrimental gold and foreign currency reserves.
Increase or reduction of gold and foreign currency reserves shall be performed as well as in the result of change of marketable value of assets, included in gold and foreign currency reserves, and operations of residents-owners of bank accounts in free convertible currency, opened in the National Bank of Kazakhstan.
Footnote. Article 58 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 first official publication); as amended by the Law of the Republic of Kazakhstan dated 21.06.2013 No.

106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 59. Priority right of the state on acquisition of fine gold for replenishment of assets in precious metals

The Republic of Kazakhstan shall have the priority right to conclude transactions on acquisition of fine gold for replenishment of assets in precious metals with the subjects of mining and production.

The National Bank of Kazakhstan shall be a body, implementing priority right of the state on acquisition of fine gold for replenishment of assets in precious metals from the subjects of mining and production.

During implementation by the subjects of mining and production, the fine gold shall be offered to the National Bank of Kazakhstan in priority.

The priority right of the state shall be implemented by acquisition of fine gold at the price, calculated with the use of settled prices on international market, after deduction of transportation expenses, expenses on implementation and quality discount that shall be applied in case of acquisition of fine gold that doesn't conform to international standards of quality, accepted by London Bullion Market Association and marked in the documents of this association as "London good delivery" standard.

Procedure for implementation of priority right of the state on acquisition of fine gold for replenishment of assets in precious metals shall be determined by the Board of directors of the National Bank of Kazakhstan.

In case of refusal of the National Bank of Kazakhstan from implementation of priority right of the state on acquisition of fine gold, the subjects of mining and production of the fine gold shall sale it at their own discretion.

Footnote. Article 59 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 first official publication).

Article 60. Revaluation account of gold and foreign currency assets

Footnote. Article 60 is excluded by the Law of the Republic of Kazakhstan dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009).

Chapter 11. THE PROCEDURE FOR ORGANIZING AND CARRYING OUT OF CONTROL AND SUPERVISION OF FINANCIAL MARKET AND FINANCIAL ORGANIZATIONS AND IN THE SCOPE OF FINANCIAL LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN

Footnote. Chapter 11 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 first official publication).

Article 61. Powers of the National Bank of Kazakhstan and its departments on control and supervision

1. The National Bank of Kazakhstan and its department shall carry out control of compliance with requirements, established by the legislation of the Republic of Kazakhstan on bank activity, insurance and insurance activity, currency regulation and currency control,

payments and transfer of money, pension benefits, securities market, business accounting and financial accounting, government statistics, credit bureaus and formation of credit histories, post office, Development Bank of Kazakhstan, microfinance organizations by the subjects and participants of financial market, as well as in compliance with this Law and other Laws of the Republic of Kazakhstan, and in the course of carrying out own control functions in case of detection of violations of mentioned requirements, shall initiate administrative proceeding or take other measures, provided by the Laws of the Republic of Kazakhstan.

2. The National Bank of Kazakhstan and its department shall carry out supervision of compliance with requirements, established by the legislation of the Republic of Kazakhstan on banking activity, insurance and insurance activity, currency regulation and currency control, payments and transfer of money, pension benefits, securities market, business accounting and financial accounting, credit bureaus and formation of credit histories, post office, Development Bank of Kazakhstan, microfinance organizations by the subjects and participants of financial market, as well as in accordance with this Law and other Laws of the Republic of Kazakhstan, and in the course of carrying out of its supervisory functions in case of detection of violations of rights and legal interests of consumers of financial services, as well as the violations, constituting a danger to the national and economic security of the Republic of Kazakhstan, stability of its financial system the measures, provided by the Laws of the Republic of Kazakhstan shall be taken without commencement of administrative proceedings.

3. The National Bank of Kazakhstan and its department shall carry out control and supervision in the form of conduct of verification and in other forms in accordance with this Law.

4. The National Bank of Kazakhstan shall cooperate with central banks and control and supervisory bodies of other states and shall have the right to share information, required for carrying out control and supervisory functions in recognition of requirements on confidentiality.

Footnote. Article 61 as amended by the Law of the Republic of Kazakhstan dated 26.11.2012 No. 57-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 62. Types of verifications of the National Bank of Kazakhstan and its department

1. The National Bank of Kazakhstan and its department shall conduct scheduled, unscheduled and documentary verifications of activity of the verified subjects in an integrated manner or on a sample basis on certain issues of their activity on an independent basis or with the assistance of other state bodies and (or) organizations.

2. Scheduled verification by the National Bank of Kazakhstan and its department shall be carried out with a visit to a verified subject in accordance with the action plan not more frequently than once a year.

Planning of verifications by the National Bank of Kazakhstan and its department shall be carried out on a semi-annually basis. Changes and additions of conduct of verifications to the semi-annually plans shall not be allowed.

An audit plans shall be approved by the Chairman of the National Bank of Kazakhstan or other authorized officials on the basis of the relevant order of the Chairman of the National Bank of Kazakhstan.

3. Unscheduled verification by the National Bank of Kazakhstan and its department shall be carried out with the visit to the verified subject in the following cases:

1) in connection with receipt of letters of individuals and legal entities and requests of state bodies, provided in the manner, established by the legislation of the Republic of Kazakhstan, as well as receipt of other information on violations of the legislation of the Republic of Kazakhstan and violations of the rights and legal interests of consumers of financial services;

2) in case of detection of violations of the requirements of the legislation of the Republic of Kazakhstan and violations of rights and legal interests of consumers of financial services by the National Bank of Kazakhstan and (or) its department within performing control and supervisory functions;

3) in existence of danger to the national and economic security of the Republic of Kazakhstan, stability of its financial system;

4) in order to control the elimination of violations of requirements of the legislation of the Republic of Kazakhstan, detected in the course of a previous verification.

Unscheduled verification may affect activity of several subjects at the same time on the issues of their compliance with particular requirements of the legislation of the Republic of Kazakhstan.

4. Documentary verification by the National Bank of Kazakhstan or its department shall be carried out without visit to the verified subject in the form of request of documents and information in detecting the signs of violations of requirements of the legislation of the Republic of Kazakhstan in the process of analysis of primary statistics and administrative data or in connection with receipt of letters of individuals, legal entities and state bodies and other information, requiring verification of compliance with the legislation of the Republic of Kazakhstan on the issues, relating to the competence of the National Bank of Kazakhstan and its department.

Article 62-1. Carrying out of functions and powers on regulation and supervision of insurance activity

Footnote. Is excluded by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 62-2. General procedure for organizing and conduct of scheduled, unscheduled verification

1. Scheduled, unscheduled verifications shall be conducted by the National Bank of Kazakhstan and its department on the basis of act on appointment of verification (hereinafter – act on appointment of verification), approved by a deputy of the Chairman of the National Bank of Kazakhstan, heads of departments and territory branches of the National Bank of Kazakhstan or other authorized officials on the basis of the relevant order.

In case of appointment of scheduled or unscheduled verification, the act on its appointment shall be registered in registration log of acts on appointment of verification.

Subdivisions of central office, territorial branches and department of the National Bank of Kazakhstan shall maintain registration logs of acts on appointment of verification.

The National Bank of Kazakhstan or its department shall register the act on appointment of verification in an authorized body on legal statistics and special records, not later than two working days after beginning of verification.

The act on appointment of verification shall contain as follows:

1) number and date of act;

2) last name, initials and position of verifying employees, as well as the persons, assigned by management of verification;

3) name of a verified subject, in respect of which, conduct of verification is assigned, its location area;

4) type of verification;

5) issues, subject to verification;

6) period of verification;

7) the verified period.

2. The beginning of conducting scheduled, unscheduledverification shall be the date of

handing copy of act on appointment of verification to the head (his (her) deputy) of a verified subject. After handing copy of the act on appointment of verification to verified subject, the original shall be marked on receipt and familiarization with the act.

In case of refusal of accepting the act on appointment of verification or interfering with access to materials, required for conduct of verification of officials of the National Bank of Kazakhstan or its department, carrying out verification, the relevant act shall be drawn up. The act shall be signed by an official of the National Bank of Kazakhstan or its department, carrying out verification. In case of refusal of accepting the act on appointment of verification by a worker of a verified subject, the relevant record shall be made. Refusal from receiving the act on appointment of verification shall not be the ground for cancellation of verification. In case of refusal of a verified subject from presentation of documents, information in terms, mentioned in requests of verifying group, non-fulfillment of conditions of this Article, involving impossibility to conduct verification in established terms, the verification shall be considered as invalid by decision of a head of verification on coordination with an official, authorized on approval of the act on appointment of verification .

In the absence of a head (his (her) deputy) of a verified subject, the copy of the act on appointment of verification shall be handed against signature on original of the act to an employee of a verified subject or his (her) founder (one of founders).

In handing of the copy of the act on appointment of verification to an employee of a verified subject or his (her) founder (one of founders), the copy of the act with a note on receiving it by head (his (her) deputy) of a verified subject shall be presented to officials of the National Bank of Kazakhstan or its department within two working days from the date of handing of the act on appointment of verification.

In case of impossibility to hand a copy of the act on appointment of verification to an employee of a verified subject or his (her) founder (one of founders), it shall be directed by post by registered letter with notification on a place of registration of a verified subject and (or) its head (his (her) deputy). In return of a letter and impossibility to hand the act on appointment of verification in terms, established for its conduct, the verification shall be recognized as invalid. By this, a head of verification shall notify an official, authorized on approval of the act on appointment of verification about this in the written form.

3. A verified subject shall present a letter addressed to head of verification or verifying employee of the National Bank of Kazakhstan or its department, not later than next day after beginning of verification, containing data on:

1) a head, responsible for securing of conducting verification, as well as for familiarization and signing of the act on completion of verification, intermediate act and (or) act on results of verification, and the person, replacing him (her);

2) specialists of a verified subject, responsible for preparation of required documents (information), their well-timed transfer to verifying employees and (or) receiving of intermediate acts from verifying employees.

4. The term of conducting scheduled, unscheduled verification shall not exceed thirty working days. In connection with considerable scope of verification, the term of conducting scheduled, unscheduled verification may be extended only once for the term, not more than thirty working days on the basis of ancillary act on prolongation of verification, approved by a deputy of the Chairman of the National Bank of Kazakhstan, head of department and territory branches of the National Bank of Kazakhstan or other authorized officials. In ancillary act on prolongation of verification, the number and date of a previous act on appointment of verification shall be stated.

5. A verified subject shall provide admittance for verifying employees to its administrative buildings (as well as in holidays and day-offs), particular premises for work, equipped by office equipment and intercity communication, secure access to information, concerning activity of a verified subject, as well as to automation systems and data bases in real-time mode without possibility to correct a data (in review mode with possibility of excretion of a data on hard copy), provide the opportunity to verifying employees to copy the

required documents, including in electronic type, as well as secure presentation of explanations (verbal and written) on the issues of verifying employees and provide assistance to verifying employees in well-timed completion of verification.

6. Verifying employees shall direct written requests to head of a verified subject, head, responsible for securing of conducting verification, or other authorized employee of a verified subject that shall be subject to execution within mentioned term.

A verified subject shall present all required information and documents, as well as their copies for attaching to materials of verification, on the date of receiving request from verifying employees or within terms, established in the request.

7. In replacement of a verifying employee (change of verifying group membership) the ancillary act shall be drawn up, in which the number and date of early drawn up act on appointment of verification and ground for replacement of a verifying employee (change of verifying group membership) shall be stated.

8. The date of completion of scheduled, unscheduled verification shall be recognized as the date of handing the act on completion of verification to verified subject. The act on completion of scheduled, unscheduled verification shall be signed by a head of verification and its immediate head and shall be handed to verified subject not later than the term of expiry of conducting verification, mentioned in the act on its appointment.

Article 62-3. Special aspects of conduct of documentary verification

1. A documentary verification shall not require drawing up of an act on its appointment.

2. During documentary verification, a request signed by an authorized official shall be directed to verified subject in order to clear additional circumstances and shall include:

1) name of verified subject, its location area;

2) ground of documentary verification;

3) list of documents, that shall be presented to the National Bank of Kazakhstan or its department by a verified subject;

4) period for presentation of requested materials;

5) information, requiring explanations of verified subject, as may be required.

3. A verified subject shall present requested documents and explanations not later than fifteen working days from the date of receiving request, unless otherwise established in the request.

4. Completion of a documentary verification shall be the date of signing the conclusion on its results by an authorized official, not requiring signing of a verified subject.

Article 62-4. Other issues of verifications

1. Intermediate acts that shall be drawn up by verifying employees of the National Bank of Kazakhstan or its department that shall be presented to verified subject for information as may be required.

2. A verified subject shall return one copy of intermediate act, signed by a head (its deputy) or a head, responsible for securing of conducting verification within two working days from the date of receiving of an intermediate act and shall file his (her) written objections to head of verification in case of existence of comments to the content of the intermediate act .

Conclusions, attached in intermediate acts shall be preliminary and may be reconsidered in the act on results of verification in recognition of received comments and additional information from a verified subject, as well as from third parties.

3. Two duplicates of the act on results of verification, signed by verifying employees of the National bank of Kazakhstan or its department, head of verification and his (her) immediate head shall be directed in the name of a head of verified subject within thirty working days

from the date of completion of scheduled, unscheduled verification.

The following information shall be stated in the act on results of verification:

1) date and place of drawing up an act;

2) name of a body, conducted verification;

3) date and number of the act on application of a verification, on the basis of which the verification is conducted;

4) surname, initials and position of an official (officials), conducted a verification;

5) name of a verified subject, its location area, business identification number (in its existence), surname, first name, patronymic (in its existence) of a head of a verified subject or its representative;

6) location and period for conducting verification;

7) information on the results of verification, as well as on the detected violations;

8) information on familiarization of a head (his (her) deputy) or a head, responsible for securing of conducting verification of a verified subject, or another person, mentioned in paragraph 7 of this Article with the act on the results of verification;

9) signature of an official (officials), conducted verification.

The act on the results of verification may be accompanied by required documents (information) or their copies, linked with the results of verification.

4. A head (his (her) deputy) or a head, responsible for securing of conducting verification of a verified subject shall accept the first copy of the act on results of verification, sign each sheet of the second copy of an act, point a date mark of receipt on its last sheet, specifying a position, last name, first name, patronymic (in its existence) and shall direct it to the National bank of Kazakhstan or its department, not later than the next day after receiving the act on results of verification.

The results of verification, set forth in the act on results of verification shall be brought to notice of executive and other regulatory bodies of a verified subject by a verified subject.

5. In existence of objections on results of verification, a verified subject shall present them to the National bank of Kazakhstan or its department in the written form within ten working days from the date of receipt of the act on results of verification.

6. The results of verification of a verified subject, set forth in the act on results of scheduled, unscheduled verification shall be considered at the meeting under the chairmanship of the Chairman of the National bank of Kazakhstan (his (her) deputies), head of his (her) department (his (her) deputies, heads of subdivisions of the National Bank of Kazakhstan or its department (their deputies), persons, entrusted with management of a verification, with an invitation of the heads of a verified subject, as may be required.

Results of the meeting shall be formed by a protocol, signed by the chairman of the meeting, and shall be directed for familiarization to the head of a verified subject within fifteen working days from the date of signing. In case of existence of objections, a verified subject shall present them to the National Bank of Kazakhstan or its department in the written form within three working days from the date of receiving the protocol of the meeting.

In case of disagreement of the National Bank of Kazakhstan or its department with objections of a verified subject to the protocol of the meeting, the conclusive decision shall be adopted by the Chairman of the National Bank of Kazakhstan or a head of its department or their deputies and shall be brought to the notice of a head of a verified subject.

7. The act on results of scheduled, unscheduled verification from the part of a verified subject shall be signed by a head, his (her) deputy or a head, responsible for securing of conducting verification.

In the absence of a head of a verified subject, his (her) deputy or a head, responsible for securing of conducting verification, the act on results of scheduled, unscheduled verification from the part of a verified subject may be signed by its founder (one of founders) , or other employee, acting in behalf of a verified subject, as well as on the ground of the relevant order and a (or) power of attorney.

8. In cases of absence of persons, mentioned in paragraph 7 of this Article, and

impossibility to present them the act on results of verification for signing, the act on results of verification shall be recognized as drawn up from the date of signing the act on results of verification by verifying persons.

9. Results of verification shall be subject to use exceptionally for the purpose of fulfilling the functions by the National Bank of Kazakhstan or its department.

10. The act on results of scheduled, unscheduled verification may not be used by a verified subject for confirmation of its financial soundness in publicity and other purposes, as well as transferred without the consent of the National Bank of Kazakhstan or its department to third parties, with the exception of cases, provided by the Laws of the Republic of Kazakhstan.

11. In divergence of documentary data of financial and other accountability, presented by a verified subject to the National bank of Kazakhstan or its department with the information, presented in the act on results of scheduled, unscheduled verification, a verified subject shall conform its accountability with actual data, specified in the act on results of verification, as well as on previous accounting date, at the direction of the National Bank of Kazakhstan or its department.

12. A verified subject shall present the action plan on approval with the planned measures, responsible executive officers and periods of elimination of violations and shortcomings, detected during verification within the period, established by department of the National Bank of Kazakhstan.

After approval of the action plan with department of the National Bank of Kazakhstan, a verified subject shall present reports on elimination of violations and shortcomings or explanations on the reasons of nonfulfillment of assumed obligations under the action plan.

13. The violation of requirements by a verified subject, mentioned in the fourth part of paragraph 2, paragraphs 3, 5 and 6 of Article 62-2, paragraph 3 of Article 62-3, paragraph 3 of Article 62-3 of this Law, as well as paragraphs 2, 4 and 12 of this Article shall be the ground for application of restrictive measures and sanctions, provided by the Laws of the Republic of Kazakhstan to verified subject or its head.

14. The employees of the National Bank of Kazakhstan and its department shall be prohibited to disclose or transfer information to third parties, received in the course of verification of an activity of a verified subject.

15. The persons, carrying out verification shall bear responsibility for disclosure of information, received in the course of verification of an activity of a verified subject and composing privacy, protected by the Law, in accordance with the Laws of the Republic of Kazakhstan.

Footnote. Article 62-4 as amended by the Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 62-5. Other forms of control and supervision

National Bank of Kazakhstan and its department shall carry out other forms of control and supervision by:

1) analysis of information and accounting, provided in accordance with requirements of the legislation of the Republic of Kazakhstan;

2) analysis of activity of financial organizations for identification of factors, effecting on deterioration of their financial position (off-site management);

3) consideration of the documents on the issues of coordination, issue and revocation of authorization documents, agreements, licensing, registration of securities issues, approval of reports on sums of placement (redemption) of securities, invalidation of securities issues, provided by the Laws of the Republic of Kazakhstan, information on affiliated persons, within the competence, established by the legislation of the Republic of Kazakhstan.

4) inspection of exchange points of the authorized organizations for compliance with

requirements, specified to technology intensiveness of premises;
5) inspection of safety system and fulfillment of requirements to the premises, electronic and other equipment of participants of credit history system and data bases on insurance;
6) direction of a representative to financial organizations in cases and in the manner, established by the Laws of the Republic of Kazakhstan;
7) accreditation, maintenance of registers, registration of joint operation agreement, concluded by insurance (reinsurance) organization;
8) analysis of activity, connected with fulfillment or compliance with established prudential regulations and (or) other norms and limits, compulsory for compliance, as well as on consolidated basis;
9) consideration of accounting and other information, provided by temporary administrations (temporary administrators), liquidation commissions of banks, insurance (reinsurance) organizations;
10) appointment and dismissal of the chairman and members of liquidation commissions in recognition of branches and representative offices of compulsorily liquidated bank, insurance (reinsurance) organizations;
11) approval of intermediate liquidation balance sheet and register of requirements of creditors of compulsorily liquidated bank, insurance (reinsurance) organization, composition of a commission of creditors of voluntarily or compulsorily liquidated banks, insurance (reinsurance) organizations;
12) coordination of report on liquidation and liquidation balance sheet of compulsorily liquidated bank, insurance (reinsurance) organization;
13) giving instructions to agents of exchange control that are compulsory for their implementation for the purpose of proper exchange control;
14) holding of meetings and discussions of verified subjects, based on the results of control and supervision of their activity;
15) analysis of activity, connected to the compliance with the requirements to the system of risk management and internal control by financial organizations and parental organization of insurance group or bank conglomerate;
16) conduct of qualifying examination of actuaries;
17) approval of report of temporary administration (temporary administrator) of bank, insurance (reinsurance) organization on performed work.

Footnote. Article 62-5 as amended by the Law of the Republic of Kazakhstan dated 21.06.2013 No. 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 63. Prudential regulations and other norms and limits, compulsory for compliance

Footnote. Article 63 as amended by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 2 March, 2001 No. 162 (see Article 2); Article is excluded by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004) .

Article 64. Requirements, specified to employees of banking supervision of the National bank of Kazakhstan

Footnote. Article 64 as amended by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 16 July, 1999 No. 436; dated 2 March, 2001 No. 162 (See Article 2); Article is excluded by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Chapter 12. ACCOUNTING OF THE NATIONAL BANK OF KAZAKHSTAN

Article 65. Financial year

The financial year of the National Bank of Kazakhstan shall begin on 1 January and end on 31 December on calendar estimation.

Article 66. Reporting

National Bank of Kazakhstan shall annually present the annual report on approval of the President of the Republic of Kazakhstan.

The President of the Republic of Kazakhstan shall consider the annual report of the National Bank of Kazakhstan and adopt decision on its approval.

Footnote. Article 66 is in the wording of the Decree of the President of the Republic of Kazakhstan, having the force of the Law, dated 5 December, 1995 No. 2672; as amended by the Laws of the Republic of Kazakhstan dated 16 July, 1999 No. 436; dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); dated 5 July, 2006 No. 165 (the order of enforcement See Article 2); dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009); dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its official publication).

Article 67. Annual report

The annual report of the National Bank of Kazakhstan shall include:

- report on monetary policy and condition of financial market;
- report on activity of the National Bank of Kazakhstan in expired year;
- annual consolidated financial reporting of the National Bank of Kazakhstan.

Footnote. Article 67 as amended by the Decree of the President of the Republic of Kazakhstan, having a force of the Law, dated 5 December, 1995 No. 2672; by the Laws of the Republic of Kazakhstan dated 11 July, 1997 No. 154; dated 16 July, 1999 No. 436; dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); dated 8 July, 2005 No. 69.

Article 68. Audit of activity of the National Bank of Kazakhstan

By the decision of the Board of directors of the National Bank of Kazakhstan, an audit of financial accounting of the National Bank of Kazakhstan shall annually be conducted by an audit organization, having experience of an audit of the central bank of the state – a member of Organization for Economic Cooperation and Development (OECD) or countries of Commonwealth of Independent States (CIS).

Any information, received during verification shall be recognized as confidential and an audit organization shall bear responsibility for its transfer to third parties.

Audit of activity of the National Bank of Kazakhstan and its organizations by all the state bodies shall be carried out only with the consent or under the instruction of the President of the Republic of Kazakhstan.

Footnote. The third part of Article 68 as amended by the Decree of the President of the Republic of Kazakhstan, having a force of the Law, dated 5 December, 1995 No. 2672; by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); dated 8 July, 2005 No. 69; dated 11.07.2009 No. 185-IV (shall be enforced from 30.08.2009).

Chapter 13 FINAL PROVISIONS

Article 69. Liquidation of the National Bank of Kazakhstan

The National Bank of Kazakhstan may be liquidated by adoption of the relevant Law of the Republic of Kazakhstan. In case of liquidation of the National Bank of Kazakhstan, its property shall be transferred to a legal successor, mentioned in the relevant Law.

Footnote. Article 69 as amended by the Decree of the President of the Republic of Kazakhstan, having a force of the Law, dated 5 December, 1995 No. 2672.

Article 70. Powers on receipt of information

In the purpose of securing the qualitative and timely fulfillment of the functions, assigned on the National Bank of Kazakhstan, the National Bank of Kazakhstan shall have the right to receive the required information without charge from any individuals and legal entities, as well as state bodies, including information, composing official, commercial, bank and other privacy, protected by the Law. By this, the received information shall not be subject to disclosure.

State bodies, financial and other organizations, their associations (unions), as well as individuals shall be obliged to provide the documents, accounting, including financial, and other additional information in case of necessity, required for fulfilling the functions of the National Bank of Kazakhstan upon the request of the National Bank of Kazakhstan.

Footnote. Article 70 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 first official publication).

Article 70-1. Compensatory nature of services, rendered by the National bank of Kazakhstan

National Bank of Kazakhstan shall have the right to make banking operations and other services on a paid basis. Types and amounts of payment for the services rendered by it shall be determined by the National Bank of Kazakhstan on an independent basis.

National Bank of Kazakhstan shall not charge for banking and other services, rendered to the Government of the Republic of Kazakhstan and central authorized body for budget execution, with the exception of services on management of the National fund of the Republic of Kazakhstan , other funds and organizations.

National Bank of Kazakhstan shall render the public services to individuals and legal entities on a paid basis in cases, provided by the regulatory legal acts of the Republic of Kazakhstan. Amounts of payment for the public services, rendered by it shall be determined by the tax legislation of the Republic of Kazakhstan.

Footnote. Article 70-1 is supplemented by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; in the wording of the Law of the Republic of Kazakhstan dated 3 May, 2001 No. 182; as amended by the Laws of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004); dated 5 July, 2006 No. 165 (the order of enforcement

See Article 2); dated 05.07.2012 No. 30-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.06.2013 No 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 71. Limitation periods

Limitation periods shall not apply to credited parties on improper execution of credit agreements on requirements of the National Bank of Kazakhstan.

Footnote. Article 71 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 first official publication).

Article 72. Responsibility of the National Bank of Kazakhstan

National Bank of Kazakhstan shall bear responsibility for nonfulfillment of its obligations in the manner, established by the Laws of the Republic of Kazakhstan.

Footnote. Article 72 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 first official publication).

Article 73. Conflict of interests

Footnote. Article 73 as amended by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154; Article is excluded by the Law of the Republic of Kazakhstan dated 10 July, 2003 No. 483 (shall be enforced from 1 January, 2004).

Article 74. Enforcement of this Law

Footnote. The title of Article as amended by the Law of the Republic of Kazakhstan dated 11 July, 1997 No. 154.

This Law shall enter into force from the date of publication.

The President
of the Republic of Kazakhstan