



## **Budget Code of the Republic of Kazakhstan**

### *Unofficial translation*

Code of the Republic of Kazakhstan dated March 15, 2025 № 171-VIII.

**Unofficial translation**

## **GENERAL PART SECTION 1. MAIN PROVISIONS Chapter 1. GENERAL PROVISIONS**

### **Article 1. Budgetary legislation of the Republic of Kazakhstan**

1. Budget legislation of the Republic of Kazakhstan shall be based on the Constitution of the Republic of Kazakhstan, shall consist of this Code and other regulatory legal acts, adoption of which shall be provided for by this Code.

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

2. Provisions of this Code, except for cases stipulated by this Code, shall not apply to the National Bank of the Republic of Kazakhstan, its departments and organizations included in its structure, as well as authorized body on regulation, control and supervision of financial market and financial organizations, legal entities, shareholder (participant, trustee) of which shall be the National Bank of the Republic of Kazakhstan, except for non-commercial organization providing conditions for activity of bodies, their organizations and participants of the “Astana” International Financial Centre.

3. Provisions of this Code shall be applied taking into account the peculiarities established by the Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan regulating the issues of state secrets, elections of the President of the Republic of Kazakhstan, deputies of the Parliament of the Republic of Kazakhstan, deputies of maslikhats, akims of districts (cities of regional significance), cities of district significance, villages, settlements, rural districts, as well as members of local self-government bodies in the Republic of Kazakhstan, carrying out operational-search, intelligence, counterintelligence activities, ensuring foreign policy activities, defense capability and national security of the country, financing the judicial system of the Republic of Kazakhstan, financing the authorized body for the return of assets.

4. International treaties ratified by the Republic of Kazakhstan shall have priority over this Code. The procedure and conditions of validity on the territory of the Republic of Kazakhstan of international treaties to which the Republic of Kazakhstan shall be a party shall be determined by the legislation of the Republic of Kazakhstan.

5. Acts of the Government of the Republic of Kazakhstan and local executive bodies on allocation of money respectively from the republican and local budgets for the next fiscal year

shall be recognized as invalid after the end of the relevant fiscal year, except for the provisions of these acts on allocation of money on a repayable basis.

Actions of Annexes to the Law on the republican budget (decision of maslikhat on local budget) for the second and third years of the planning period shall be recognized as invalid with the introduction of the Law on the republican budget (decision of maslikhat on local budget) for the next planning period.

6. The Law on the republican budget, decision of maslikhat on local budget, acts of the Government of the Republic of Kazakhstan and local executive bodies on their implementation, as well as regulatory legal acts on introduction of amendments and additions to them shall enter into force from January 1 of the relevant fiscal year.

## **Article 2. The main purpose and objectives of the budget legislation of the Republic of Kazakhstan and general requirements to the recipients of budgetary funds**

1. The main purpose of the budget legislation of the Republic of Kazakhstan shall be to ensure harmonization of strategic goals of public administration, tasks and functions of the state with the amount of budgetary funds required for their achievement or implementation in accordance with the budgetary policy.

2. The main tasks of the budget legislation of the Republic of Kazakhstan shall be:

1) establishment of basic provisions, principles and mechanisms of functioning of the budget system, education and use of budgetary funds, as well as formation and use of the National Fund of the Republic of Kazakhstan;

2) regulation of budgetary, inter-budgetary relations;

3) creation of legal bases for effective management of public finances and budget through the principles of the budget system.

3. In order to realize the main purposes and objectives of the budget legislation of the Republic of Kazakhstan, the following requirements shall be provided:

budget program administrators, local executive bodies and other recipients of budget funds shall be prohibited from submitting proposals to the President of the Republic of Kazakhstan, the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the central authorized body for budget planning and local authorized bodies for state planning to increase budget expenditures outside the budget planning process;

administrators of budget programs, local executive bodies and other recipients of budget funds shall be prohibited to make proposals to the President of the Republic of Kazakhstan, the Administration of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, related to change of mechanisms or instruments of fulfillment of tasks of the budget legislation of the Republic of Kazakhstan, established by paragraph 2 of this Article, without coordination with the central authorized body on budget policy, central authorized body on budget planning, local authorized body on state planning, as well as, if necessary, central authorized body on budget execution and state treasury;

local authorized sectoral state bodies shall be prohibited to coordinate proposals of central sectoral state bodies on increase, reduction and (or) redistribution of budget expenditures without coordination with the local authorized body on state planning and compliance with the procedures provided for by paragraph 2 of Article 73 of this Code.

4. Disagreements between administrators of budget programs and the central authorized body on budget planning and (or) local authorized body on state planning shall be considered by the relevant budget commission, except for disagreements between administrators of budget programs financed from budgets of cities of district significance, villages, settlements, rural districts, and local authorized bodies on state planning of districts (cities of regional significance), shall be considered by the local community meeting.

### **Article 3. Basic concepts used in this Code**

1. The following basic concepts shall be used in this Code:

1) approved budget - a budget approved by the Parliament of the Republic of Kazakhstan or the corresponding maslikhat;

2) budget - a centralized monetary fund of the state, intended for financial support of the implementation of its tasks and functions;

3) budget system - a set of budgets, the National Fund of the Republic of Kazakhstan, as well as budgetary processes and relations, including with subjects of the quasi-public sector, extra-budgetary funds;

4) budget funds - money and other assets of the state, the receipt of state property and the expenditure of which shall be reflected in the budget in cash;

5) underutilization of budget funds - the excess of the financing plan for payments over the paid obligations under the budget program, minus budget savings, which has developed at the end of the reporting period, unallocated reserve balance for initiatives of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and local executive bodies, return of targeted transfers allocated from the National Fund of the Republic of Kazakhstan, and return of targeted transfers for development, allocated in the reporting financial year, allowed to be used in accordance with this Code;

6) budget process - the activities of participants in the budget process regulated by the budget legislation of the Republic of Kazakhstan at the stages of forecasting, planning, consideration, approval, execution, clarification, sequestration and adjustment of the budget, accounting and financial reporting, budget accounting and budget reporting, monitoring and evaluation of results;

7) budget policy - a set of measures to manage public finances of the Republic of Kazakhstan aimed at ensuring the sustainability of public finances;

8) off-budget fund - a centralized monetary fund created in the form of a legal entity, the founder and sole shareholder of which shall be the state, or a cash control account, the main purpose of which shall be to implement the socio-economic tasks of the development of the republic or region;

- 9) inefficient implementation of budget programs - failure to achieve the final results stipulated by the passports of budget programs, including with the full use of budget funds;
- 10) budget relations - relations arising in the budget process;
- 11) budget operations - operations carried out in the process of budget execution;
- 12) reporting fiscal year - the year preceding the current financial year of the planned period;
- 13) planning period - three financial years following the current financial year;
- 14) regular fiscal year - the year following the current fiscal year;
- 15) fiscal year - the period of time beginning on January 1 and ending on December 31 of the calendar year during which the budget shall be executed;
- 16) financing - allocation of budget money to their recipients;
- 17) short-term period - a period of up to one year;
- 18) state assets - property and non-property goods and rights having a value assessment, obtained into state ownership as a result of past operations or events;
- 19) state investment project - a set of measures provided for by this Code aimed at the creation and (or) development of assets, including the creation of new, expansion and (or) renewal of existing industries;
- 20) public finances - a system of relations between the republican budget, local budgets, the National Fund of the Republic of Kazakhstan, entities of the quasi-public sector, extra-budgetary funds arising from the formation, distribution, redistribution of assets and liabilities of the public sector;
- 21) stability of public finances - the state of public finances, providing financing for the implementation of the tasks and functions of the state, taking into account its obligations in the long term;
- 22) revised budget - the approved budget, taking into account amendments and additions adopted by the Parliament of the Republic of Kazakhstan or the relevant maslikhat during its implementation;
- 23) results indicators - a set of target indicators, final results characterizing the activities of a state body to implement a development plan of a state body, action plans or development plans of entities of the quasi-public sector, development plans of the region, the city of republican significance, the capital and (or) passports of budget programs, as well as entities of the quasi-public sector to implement their action plans or development plans;
- 24) target indicator - an indicator that quantitatively measures the achievement of the goal of a development plan of a state body, an action plan or a development plan of a quasi-public sector entity, or a development plan of a region, city of republican significance, capital;
- 25) medium-term period - the period following the current fiscal year, lasting from one to five years;
- 26) balance - compliance of assumed obligations with the amount of planned budget funds at the level not exceeding the budget established by the project;

27) adjusted budget - the approved (updated) budget, taking into account amendments and additions introduced during its implementation on the basis of decisions of the Government of the Republic of Kazakhstan and local executive bodies, decisions of akims of cities of regional significance, villages, towns, rural districts and other regulatory legal acts of the Republic of Kazakhstan;

28) the final result - the indicator of the passport of the budget program, which qualitatively measures the achievement of the goal and (or) the target indicator of the development plan of the state body, the development plan of the region, the city of republican significance, the capital and (or) the budget program within the provided budget funds;

29) long-term period - the period following the current fiscal year, lasting from five to thirty years.

2. Other concepts of budget legislation of the Republic of Kazakhstan not specified in this article shall be used in the meanings defined in the relevant articles of this Code.

The concepts of other branches of the legislation of the Republic of Kazakhstan used in this Code shall be used in the sense in which they are used in the relevant branches of the legislation of the Republic of Kazakhstan, unless otherwise provided by this Code.

When the definitions of concepts of budget legislation of the Republic of Kazakhstan do not coincide with the definitions of concepts of other branches of legislation of the Republic of Kazakhstan, the concepts of budget legislation of the Republic of Kazakhstan shall be used in relation to budget relations.

#### **Article 4. Basic principles of the budget system of the Republic of Kazakhstan**

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

1) the principle of unity - the application of uniform principles of organization and functioning of the budget system using uniform procedures and technical solutions of the budget process in the Republic of Kazakhstan;

2) the principle of sustainability of public finances - the formation of a budgetary policy that shall ensure financing the implementation of the tasks and functions of the state, taking into account its obligations in the long and medium term;

3) the principle of completeness - the completeness of the reflection and accounting in the budget and the National Fund of the Republic of Kazakhstan of all relevant revenues and expenses provided for by the legislation of the Republic of Kazakhstan, the prevention of offsets of mutual claims using budget funds, as well as concessions of rights of claims on budget funds;

4) the principle of validity - planning and use of budget funds, the National Fund of the Republic of Kazakhstan and state assets in accordance with indicators of forecasting socio-economic development on the basis of regulatory legal acts and other documents that determine the need to include certain revenues or expenses in the draft budget and the validity of their volumes;

5) the principle of consistency - compliance by state bodies with previously having adopted decisions in the field of budgetary relations, reflection in the budget documentation of information for the last three reporting fiscal years and for three years provided for by the approved (updated) budget for the planning period;

6) the principle of efficiency - the implementation of the budgetary process, planning and use of funds of the National Fund of the Republic of Kazakhstan based on the need to achieve the optimal ratio between costs and results, ensuring the implementation of state functions and the quality provision of public services with a minimum amount of budgetary funds;

7) the principle of effectiveness - planning and execution of the budget, the use of funds of the National Fund of the Republic of Kazakhstan, the adoption of administrative and management decisions focused on achieving indicators of results provided for by plans for the development of state bodies, plans for the development of regions, cities of republican significance, the capital, development plans or action plans of entities of the quasi-public sector, or passports of budget programs;

8) the principle of budget independence - the establishment of a stable distribution of revenues between budgets of different levels and the determination of the directions of their expenditure in accordance with this Code, the right of all levels of government to independently carry out the budget process in accordance with this Code, inadmissibility of withdrawal of income additionally received during the execution of local budgets, and balances of budget funds of local budgets to higher budgets, inadmissibility of imposing additional expenses on lower budgets without their corresponding compensation;

9) the principle of cash unity - crediting all revenues to the budget to a unified treasury account and the implementation of all provided expenses from a unified treasury account in national currency;

10) the principle of transparency - openness and accessibility of the budget process for society, mandatory publication of regulatory legal acts in the field of budget legislation of the Republic of Kazakhstan, information on public finances, approved (updated, adjusted) budgets and other documents defined by this Code, with the exception of information constituting a state or other secret protected by the Law.

## **Article 5. Budget process participants**

Participants in the budget process shall be:

1) Government of the Republic of Kazakhstan, local executive bodies, offices of akims of cities of regional significance, villages, towns, rural districts;

2) representative bodies - the Parliament of the Republic of Kazakhstan and maslikhats;

3) state bodies;

4) state audit and financial control bodies;

5) the central authorized body for budget policy - the central executive body, carrying out management, as well as within the limits stipulated by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of budgetary policy, including in the

development of the budgetary system, public finance management and income forecasting, economic policy, investment attraction policy, public-private partnerships, public investment projects, inter-budgetary relations, public and state-guaranteed borrowing and debt, management of state assets, attraction and within the competencies established by this Code, use of grants;

6) central authorized body for regional policy - the central executive body exercising leadership, as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of formation and implementation of state policy in the field of regional development;

7) central authorized body for state planning - the central executive body exercising leadership, as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of state planning and strategic, control, implementation and regulatory functions;

8) the central authorized body for budget planning - the central executive body that exercises leadership, as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of budget planning, within the competence, methodological guidance on budget planning, as well as the development of proposals for improving the budget planning system;

9) the central authorized body for budget execution - the central executive body exercising leadership, as well as, within the limits provided for by the legislation of the Republic of Kazakhstan, intersectoral coordination in the field of budget execution, accounting, budget accounting and budget reporting on the execution of the republican budget and, within its competence, local budgets, extra-budgetary funds;

10) state treasury - a department of the central executive body for budget execution, which shall be entrusted with the functions of the authorized body for treasury budget execution;

11) state treasury bodies - territorial subdivisions of the state treasury;

12) state revenue bodies determined by the tax legislation of the Republic of Kazakhstan;

13) authorized state bodies responsible for collecting non-tax revenues from individuals and legal entities to the republican or local budget, the National Fund of the Republic of Kazakhstan, the Victims Compensation Fund, the Special State Fund and monitoring their receipt (hereinafter referred to as the authorized bodies for non-tax revenues);

14) local authorized body for state planning - an executive body financed from the local budget, performing functions in the field of strategic, economic and budgetary planning in the corresponding administrative-territorial unit;

15) local authorized body for budget execution - an executive body financed from the local budget, performing functions in the field of budget execution, accounting, budget accounting and budget reporting for the execution of the local budget;

16) The Council for the Management of the National Fund of the Republic of Kazakhstan - a consultative and advisory body under the President of the Republic of Kazakhstan, one of the main tasks of which shall be to assist, develop and consider proposals and make recommendations to the President of the Republic of Kazakhstan on the use of the National Fund of the Republic of Kazakhstan.

The decision to establish a Council for the management of the National Fund of the Republic of Kazakhstan, its composition and position shall be approved by the President of the Republic of Kazakhstan;

17) budget commission - a consultative and advisory body created to ensure timely and high-quality development of the draft budget and the development of proposals for budget planning and execution.

The Government of the Republic of Kazakhstan forms the Republican Budget Commission, approves the regulation on it, competence and composition.

Local executive bodies of regions, cities of republican significance, the capital, districts (cities of regional significance) form the corresponding local budget commissions, approve provisions on them, competencies and composition.

The first head of the administrator of republican budget programs shall form a departmental budget commission, shall determine its working body and shall approve the regulation on it, competence and composition.

Budget commissions shall operate on an ongoing basis.

The competence of the republican budget commission, budget commissions of the region, city of republican significance, capital, district (city of regional significance) shall include:

1) development of proposals on the forecast of socio-economic development, draft plans for the development of state bodies or draft plans for the development of the region, the city of republican significance, the capital or draft amendments and additions to them, limits of expenditures of administrators of budget programs and directions of expenditures of administrators of budget programs;

2) development of proposals for determining indicators of draft budgets, clarification, adjustment of budgets;

3) development of proposals for draft regulatory legal acts providing for a reduction in revenues or an increase in expenditures of the republican and (or) local budgets and (or) the National Fund of the Republic of Kazakhstan, including in the case provided for in paragraph five of the first part of the paragraph 2 of Article 73 of this Code;

4) development of proposals for draft regulatory legal acts developed in implementation of the provisions of this Code;

5) consideration of the results of the review of expenditures, budget monitoring, assessment of results and development of proposals for them;

6) other powers provided for by this Code, as well as provisions on budget commissions.

The competence of departmental budget commissions shall include:



1) development of proposals for the draft development plan of a state body or the draft amendments and additions to the development plan of a state body, budget requests;

2) consideration of the results of budget monitoring, assessment of results and development of proposals for them;

3) other powers provided for by this Code, as well as regulations on departmental budget commissions.

The working bodies of the Republican Budget Commission and local budget commissions shall be, respectively, the central authorized body for budget planning and local authorized bodies for state planning.

The chairman of the local budget commission shall be the akim of the corresponding region, city of republican significance, capital, district (city of regional significance).

The secretary of the local budget commission shall be the first head of the local authorized body for state planning.

The procedure for organizing the activities of the budget commission shall be developed and determined by the working body of the relevant budget commission;

18) Public council - consultative and advisory, supervisory body formed in accordance with the Law of the Republic of Kazakhstan "On Public councils";

19) budget programs administrator - a state body responsible for planning, substantiation, implementation and achievement of the results of budget programs, determined in accordance with the functions, powers and competencies assigned to it by the legislation of the Republic of Kazakhstan.

The budget program administrator independently shall use budget funds if he is both the budget program administrator and a government agency.

Structural and territorial subdivisions of state bodies cannot be administrators of budget programs, except for territorial bodies of the police, the penal system and territorial bodies of the authorized body in the sphere of civil defense of the region, city of republican significance, the capital, which are administrators of regional budget programs, budget programs of cities of republican significance, the capital;

20) entities of the quasi-public sector - state enterprises, limited liability partnerships, joint-stock companies, including the National Wealth Fund, national management holdings, national holdings, national companies of which the State shall be the founder, participant or shareholder, as well as subsidiaries, affiliates and other legal entities affiliated with them in accordance with the legislative acts of the Republic of Kazakhstan, social health insurance fund, State Social Insurance Fund, non-profit organization, providing conditions for the activities of bodies, their organizations and participants of the "Astana"; International Financial Center;

21) autonomous organization of education - a non-profit organization without membership established by the Government of the Republic of Kazakhstan, the legal status

and special legal regime of which shall be determined by legislative acts of the Republic of Kazakhstan;

22) recipients of budget funds - individuals and legal entities that receive budget funds through administrators of budget programs or entities of the quasi-public sector and use them in order to ensure the implementation of the tasks and functions of the state.

Recipients of budgetary funds shall be obliged to spend budgetary funds for their intended purpose and ensure the fulfillment of their obligations to achieve the results defined in the budget and other documentation developed in accordance with this Code, with the exception of cases provided for by this Code.

Recipients of budget funds, including entities of the quasi-public sector, shall be prohibited from placing budget funds on deposits and in other financial instruments, including abroad, in order to receive remuneration, with the exception of cases provided for by this Code;

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

24) financial agency - national management holding and legal entities, one hundred percent of the shares of which belong to the national managing holding, as well as a bank or organization with one hundred percent state participation, carrying out certain types of banking operations authorized in accordance with the legislation of the Republic of Kazakhstan to implement state investment policy in certain areas of the economy and for this purpose borrowing in the financial market of the Republic of Kazakhstan and (or) the international financial market;

25) integrator in the field of budget process - a legal entity whose sole shareholder shall be the state, determined by the central authorized body for budget execution, which is entrusted with the functions of ensuring digitalization and automation of the budget process.

**Footnote. Article 5 as amended by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

## **Article 6. Digital transformation of the budget process**

1. The digital transformation of budget process informatization objects shall cover all stages of the budget process and shall be carried out in compliance with the requirements established by this Code and the Laws of the Republic of Kazakhstan.

2. The digital transformation of the budget process shall be provided by the integrator in the field of the budget process.

The digital transformation of the local budget planning process shall be provided by local executive bodies.

3. Budget process integrator shall:

ensure the creation, maintenance, development, information security and implementation of informatization objects of the budget process;

provide information, analytical and consulting services on the digital transformation of the budget process;

provide access to representative bodies and bodies of state audit and financial control to objects of informatization of the budget process in accordance with the procedure determined by the central authorized body for budget execution.

4. Standards and requirements for informatization objects of the budget process shall be developed and approved by the authorized body for budget execution in compliance with the requirements of the legislation of the Republic of Kazakhstan in the field of informatization.

## **Chapter 2. LEVELS, TYPES AND STRUCTURE OF THE BUDGET**

### **Article 7. Budget levels**

1. In the Republic of Kazakhstan, budgets of the following levels shall be approved, implemented and independent:

1) the republican budget approved by the Law of the Republic of Kazakhstan;

2) the regional budget, the budget of the city of republican significance, the capital, approved by the decision of the regional maslikhat, maslikhat of the city of republican significance, the capital;

3) district (city of regional significance) budget, approved by the decision of the district (city of regional significance) maslikhat;

4) the budget of the city of regional significance, village, settlement, rural district, approved by the decision of the district (city of regional significance) maslikhat after agreement with the meeting of the local community.

2. The republican budget shall be a centralized monetary fund formed from revenues determined by this Code and intended for financial support of the tasks and functions of central state bodies, state institutions subordinate to them and the implementation of republican directions of state policy.

3. The regional budget, the budget of the city of republican significance, the capital shall be a centralized monetary fund formed from the proceeds determined by this Code, and intended for financial support of the tasks and functions of local state bodies of the regional level, the city of republican significance, the capital, state institutions subordinate to them and the implementation of state policy in the corresponding administrative-territorial unit.

The district (city of regional significance) budget shall be a centralized monetary fund formed from the proceeds defined by this Code and intended for financial support of the tasks and functions of local state bodies of the district (city of regional significance) level, state institutions subordinate to them and the implementation of state policy in the corresponding administrative-territorial unit.

The budget of a city of regional significance, a village, a settlement, a rural district shall be a centralized monetary fund formed from the proceeds determined by this Code and intended for financial support of the tasks and functions of the akim of a city of regional significance, a village, a settlement, a rural district, state institutions subordinate to them and the implementation of state policy in the corresponding administrative-territorial unit.

Regional budgets, budgets of cities of republican significance, capitals, district (cities of regional significance) budgets, budgets of cities of regional significance, villages, towns, rural districts shall belong to local budgets.

4. In the Republic of Kazakhstan, in cases established by this Code, an emergency state budget may be developed, approved and executed.

The emergency state budget shall be formed on the basis of the republican and local budgets and be introduced in the event of a state of emergency or martial law in the Republic of Kazakhstan.

### **Article 8. Budget types used as analytical information**

1. In the Republic of Kazakhstan, the following types of budgets shall be drawn up, which shall be used as analytical information and shall not be subject to approval:

- state budget;
- consolidated budget;
- budget of the region;
- budget of the district (cities of regional significance).

2. The state budget shall be a centralized monetary fund of the state, uniting the republican and local budgets without taking into account mutual operations between them.

The consolidated budget shall be the centralized monetary fund of the state, uniting the republican budget, budgets of regions, cities of republican significance, the capital, revenues and expenses of the National Fund of the Republic of Kazakhstan, revenues and expenses of extra-budgetary funds without taking into account mutual repayment transactions between them.

The budget of the region shall be a centralized monetary fund that combines the regional budget, the budgets of districts (cities of regional significance) without taking into account reciprocal operations between them.

The budget of a district (city of regional significance) shall be a centralized monetary fund that combines the district (city of regional significance) budget, budgets of cities of regional significance, villages, towns, rural districts, without taking into account reciprocal operations between them.

Reciprocal operations shall be operations carried out in the formation of the consolidated budget, state budget, regional and district budgets (cities of regional significance), as well as reports on their implementation, related to the exclusion of transfers, budget loans and other payments transferred from one budget level to another, in order to exclude double bills.

### **Article 9. Budget structure, revenues and expenditures**

1. The budget structure shall consist of the following sections:

1) income:

tax revenues;

non-tax revenues;

proceeds from sale of fixed assets;

special revenues;

transfer revenues;

2) expenditures;

3) net budget lending:

budget loans;

repayment of budget loans;

4) balance on operations with financial assets:

acquisition of financial assets;

proceeds from the sale of financial assets of the state;

5) budget deficit (surplus);

6) non-oil deficit (surplus) of the budget;

7) deficit financing (surplus utilization) of the budget:

revenues of loans;

repayment of loans;

budgetary balances utilized.

2. Budget revenues shall be revenues, amounts of repayment of budget loans, proceeds from the sale of financial assets of the state, loans.

Budget revenues shall be tax, non-tax revenues, revenues from the sale of fixed assets, special revenues, transfer revenues.

Revenues shall not be earmarked except for special income and earmarked transfers. The introduction of new types of income, cancellation or change of existing ones shall be carried out with the obligatory introduction of amendments or additions to this Code.

Tax revenues shall be taxes and other mandatory payments to the budget established by the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code), with the exception of fees for negative environmental impact, customs duties, customs duties established in accordance with the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan, special, anti-dumping, compensation duties established in accordance with the Treaty on the Eurasian Economic Union.

Tax revenues also shall include advance payments made in accordance with the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan to pay upcoming customs duties, customs duties, taxes, special, anti-dumping, compensation duties.

Non-tax revenues shall be:

mandatory, non-refundable payments to the budget established by this Code and other legislative acts of the Republic of Kazakhstan, except for those provided for by the Code of

the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan, not related to proceeds from the sale of fixed capital;

money transferred to the budget free of charge, except for transfers;

money from the sale by government agencies of goods (works, services).

Proceeds from the sale of fixed capital shall be revenues to the budget of money from:

1) sale of state property assigned to state institutions;

2) sales of goods from the state material reserve;

3) sale of land plots in state ownership into private ownership or their provision for permanent or temporary land use or their sale in another way in the manner prescribed by the Laws of the Republic of Kazakhstan or international treaties;

4) sales of intangible assets owned by the state.

Special revenues shall be:

1) payment for negative environmental impact established by the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code);

2) deductions of subsoil users established by the legislation of the Republic of Kazakhstan on subsoil and subsoil use for:

socio-economic development of the region, development of its infrastructure;

research, scientific, technical and development work on the territory of the Republic of Kazakhstan;

financing of training of Kazakhstani personnel;

3) fines for violation of the standards of permissible anthropogenic impact on the environment from subsoil users imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses;

4) funds received from subsoil users and organizations of the oil sector in claims for compensation for harm, fines in the field of environmental protection imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses.

Transfers shall be transfers from one level of the budget to another, from the National Fund of the Republic of Kazakhstan and (or) the Special State Fund to the republican budget.

The amounts of repayment of budget loans shall be budget revenues associated with the return of the principal debt on loans received from the budget, as well as the fulfillment by legal entities of the requirements for paid state guarantees, state guarantees to support exports.

Proceeds from the sale of financial assets of the state shall be revenues to the budget from the sale of participation interests, securities of legal entities, including international organizations owned by the state, state enterprises in the form of a property complex, as well as other state property under the operational management or economic jurisdiction of state legal entities.

Loans shall be revenues of money to the budget related to the issue of government issue securities and (or) the conclusion of loan agreements.

3. Budget expenditures shall be expenses, budget loans, acquisition of financial assets, repayment of loans.

Costs shall be budget funds allocated on a non-refundable basis.

Budget loans shall be budget funds provided in accordance with Chapter 30 of this Code.

The acquisition of financial assets shall be budget funds allocated for the acquisition of state ownership of shares and securities of legal entities, including international organizations.

Repayment of loans shall be budget funds allocated to repay the principal debt on internal and external government loans.

4. The non-oil deficit (surplus) of the republican or state budget shall be equal to the difference between revenues to the republican or state budget with the exception of loan revenues, transfers from the National Fund of the Republic of Kazakhstan and export customs duties on crude oil and expenditures of the republican or state budget, with the exception of repayment of loans.

The obtained value with a negative sign shall be a non-oil deficit of the republican or state budget, with a positive sign - a non-oil surplus of the republican or state budget.

The size of the non-oil deficit (surplus) of the republican budget shall be approved by the Law on the republican budget.

The size of the non-oil deficit (surplus) of the state budget shall not be approved and shall be used for analytical purposes.

5. Net budget loan shall be defined as the difference between budget loans and the repayment of budget loans.

6. Financial asset transactions shall include:

- 1) acquisition of financial assets;
- 2) proceeds from the sale of financial assets of the state.

The balance of transactions with financial assets shall be defined as the difference between the acquisition of financial assets and the proceeds from the sale of financial assets of the state.

The acquisition of financial assets and proceeds from the sale of financial assets of the state shall be carried out in accordance with the regulatory legal acts of the Republic of Kazakhstan.

7. The budget deficit (surplus) shall be equal to the difference between income and costs, net budget loans and the balance of operations with financial assets.

The obtained value with a negative sign shall be a deficit, with a positive sign - a budget surplus.

8. Financing of the budget deficit shall be provided by covering the budget deficit through borrowing and the balances of budget funds used.

The amount of financing of the budget deficit shall be defined as the excess of the amount of loans received, the balances of budget funds used over the amount of repayment of the principal debt on loans.

The value of financing the budget deficit shall be set with a positive sign and shall correspond to the size of the budget deficit.

9. The use of the budget surplus shall be carried out by spending the budget surplus, loan funds, used balances of budget funds to pay off the principal debt on loans.

The amount of use of the budget surplus shall be defined as the excess of the amount of repayment of the principal debt on loans over the amount of loans received and the balances of budget funds used.

The value of using the budget surplus shall be set with a negative sign and shall correspond to the value of the budget surplus.

### **Chapter 3. UNIFIED BUDGET CLASSIFICATION**

#### **Article 10. Definition and composition of a unified budget classification**

1. The unified budget classification shall be a grouping of budget revenues and expenditures by functional, departmental and economic characteristics with assignment of grouping codes to classification objects.

2. The budget process shall be carried out on the basis of a unified budget classification.

3. The unified budget classification shall include:

- 1) classification of budget revenues;
- 2) functional classification of budget revenues;
- 3) economic classification of budget revenues.

4. The unified budget classification shall be compiled on the basis of legislative acts of the Republic of Kazakhstan, decrees of the President of the Republic of Kazakhstan, resolutions of the Government of the Republic of Kazakhstan, decisions of the regional maslikhat, maslikhat of the city of republican significance, the capital, district (city of regional significance) maslikhat.

If the structure of local public administration is changed by the decision of the akim, amendments and additions shall be made to the unified budget classification no more than once a quarter, in the last month of the quarter.

5. The procedure for drawing up and introduction of amendments and additions the unified budget classification shall be determined by the central authorized body for budget planning.

6. The unified budget classification shall be drawn up by the central authorized body for budget planning.

#### **Article 11. Classification of budget revenues**

1. The classification of budget revenues shall be a grouping of budget revenues of all levels according to certain characteristics, based on the budget legislation of the Republic of Kazakhstan.

2. The classification grouping of budget revenues shall consist of a category, class, subclass, and specifics.



## **Article 12. Functional classification of budget revenues**

1. The functional classification of budget revenues shall be a grouping of budget revenues at all levels, which shall determine the directions of spending budget funds according to functional and departmental characteristics, reflecting the performance of state functions, the implementation of documents of the State Planning System of the Republic of Kazakhstan.

2. The functional classification grouping of budget revenues shall consist of the following levels:

- functional groups;
- functional subgroups;
- budget program administrators
- budget programmes (subprogrammes).

3. Based on the functional classification of budget revenues, a departmental classification of budget revenues can be formed by grouping budget program administrators and budget programs (subprogrammes).

## **Article 13. Economic classification of budget revenues**

1. The economic classification of budget revenues shall be a grouping of budget expenditures by economic characteristics, reflecting the operations carried out by government agencies to implement budget programs.

2. The grouping of the economic classification of budget expenditures shall consist of a category, class, subclass and specifics.

3. The structure of the specifics of the economic classification of budget revenues shall be developed and approved by the central authorized body for budget planning.

## **Article 14. Types of budget programs (subprograms)**

1. Depending on the content, budget programmes (subprogrammes) shall be divided into budget programmes (subprogrammes) aimed at:

the exercise of public functions, powers and the public services provision arising from them;

- provision of transfers and budget subsidies;
- provision of budget loans;
- implementation of budget investments;
- capital expenditure;
- fulfillment of state obligations.

2. Budget programmes (subprogrammes) aimed at the implementation of government functions, powers and the provision of public services arising from them shall include all related operating costs, including research and consulting services.

The cost of research and consulting services shall be established in the manner determined by the central authorized bodies of the relevant industry (sphere) in agreement with the central authorized body for budget planning.

3. Budgetary programmes (subprogrammes) aimed at providing transfers and budgetary subsidies shall include:

- 1) transfers between budget levels;
- 2) transfers to individuals, except for cash payments to employees of state institutions;
- 3) transfers to legal entities, except for state institutions;
- 4) budget subsidies to individuals and legal entities.

Transfers between budget levels shall be regulated by Chapter 15 of this Code.

Transfers to individuals, in addition to cash payments to employees of state institutions, shall be cash payments to individuals intended to increase their disposable income or to fully or partially compensate for certain types of costs or damage provided for by legislative acts of the Republic of Kazakhstan.

Transfers to legal entities, the founder of which shall be the state, except for state institutions, shall be targeted transfers from the republican budget to autonomous educational organizations, the social health insurance fund, the administration of the Astana International Financial Center in accordance with the legislative acts of the Republic of Kazakhstan.

When introducing amendments and additions legislative acts of the Republic of Kazakhstan providing for the receipt of budget funds in the form of transfers to legal entities, it shall be required to go through the procedures established by the legislation of the Republic of Kazakhstan on administrative procedures related to the transfer of functions of central and (or) local executive bodies to a competitive environment.

Transfers to legal entities shall be allocated subject to the planning of performance indicators in the strategic documents of organizations applying for them.

Transfers to legal entities shall not be allocated to:

- 1) implementation of budget investments;
- 2) acquisition of long-term assets provided for by the Constitutional Law of the Republic of Kazakhstan "On the International Financial Center" Astana."

Transfers to legal entities shall be transferred through the appropriate budget program administrators.

The procedure for reporting on the use of transfers to legal entities, the forms and deadlines for its submission, as well as the requirements for the information provided on the progress and results of using transfers to legal entities, with the exception of the social health insurance fund, shall be determined by the central authorized body for budget execution.

Budget subsidies shall be non-refundable payments from the budget, which shall be provided to individuals and legal entities, including peasant or farming households, only in the absence of another way to perform state functions and implement the socio-economic tasks of the development of the republic or region in cases provided for by legislative acts of the Republic of Kazakhstan.

The procedure for the payment of budget subsidies shall be determined by the central state bodies in agreement with the central authorized body for budget planning.

4. Budget programs (subprogrammes) aimed at the implementation of capital expenditures shall include expenditures aimed at the formation or strengthening of the material and technical base, capital (restoration) repairs, and other capital expenditures in accordance with the economic classification of expenditures, except for budget investments.

Capital revenues carried out under the lease agreement shall be implemented under budget programs (subprogrammes) aimed at capital revenues.

The cost and subject of capital revenues carried out under the lease agreement shall be established in the manner determined by the central authorized body of the relevant industry (sphere) in agreement with the central authorized body for budget planning.

5. The provision of budget loans, the implementation of budget investments, the fulfillment of state obligations shall be implemented in accordance with this Code.

6. Depending on the level of public administration, budget programs shall be divided into:

- 1) republican, approved as part of the republican budget;
- 2) regional, cities of republican significance, capitals approved as part of the regional budget, the budget of the city of republican significance, the capital;
- 3) district (city), approved as part of the district (city of regional significance) budget;
- 4) budget programs of the district in the city, approved as part of the budget of the city of republican significance, the capital, the city of regional significance;
- 5) budget programs of the city of regional significance, village, settlement, rural district, approved as part of the budget of the city of regional significance, village, settlement, rural district.

Regional, cities of republican significance, capitals, district (city) budget programs, as well as budget programs of the district in the city and budget programs of the city of regional significance, village, settlement, rural district are local budget programs.

7. Depending on the implementation method, budget programs (subprograms) shall be divided into:

- 1) individual budget programs (subprograms) implemented by one administrator;
- 2) distributable budget programs approved in the budget as part of the budget programs of a certain budget program administrator and to be distributed during the current fiscal year among various budget program administrators.

The distribution of such budget programs shall be carried out in the manner determined by the relevant central state bodies in agreement with the central authorized body for budget planning.

8. Budget programmes (subprogrammes) shall be divided into current budget programmes (subprogrammes) and development budget programmes (subprogrammes) with the assignment of the corresponding characteristic (code) as part of a unified budget classification

Development budget programmes (subprogrammes) shall include budget revenues directed to budgetary investments. The remaining budget revenues shall relate to current budget programmes (subprogrammes).

9. In order to achieve the goal of a development plan of a state body or a development plan of a region, a city of republican significance, a capital, a single final result, the costs of implementing state functions, powers and the provision of public services arising from them, implementing capital revenues, implementing state investment projects, providing transfers and budget subsidies are combined into one budget program while maintaining the budget structure and allocating these costs to separate subprogrammes.

It shall not be allowed to introduce a new budget program aimed at achieving the goal of the approved development plan of a state body or a plan for the development of a region, city of republican significance, capital, if there is a budget program aimed at achieving this goal within the budget structure section.

**Article 15. Classification of revenues of the Ministry of Defense of the Republic of Kazakhstan and its institutions, state bodies carrying out operational-search activities, intelligence and counterintelligence activities, and their institutions, as well as special state bodies that ensure the safety of protected persons and objects**

Revenues of the Ministry of Defense of the Republic of Kazakhstan and its institutions financed from the republican budget, special state bodies carrying out intelligence and counterintelligence activities, and their institutions, as well as special state bodies ensuring the safety of protected individuals and entities, shall be classified into one functional group with reflection on one specifics of the economic classification of expenditures according to the following budget programs:

- one budget programme for government functions and powers, transfers and capital expenditures;

- one budget programme aimed at implementing budget investments.

Revenues on the implementation of operational-search activities of state bodies and their institutions, with the exception of the Ministry of Defense of the Republic of Kazakhstan and its institutions, special state bodies, shall be classified into one functional group, according to one budget program aimed at performing state functions and powers, with the exception of capital revenues and expenses for the implementation of budgetary investment projects with reflection on one specifics of the economic classification of revenues.

## **Chapter 4. SEPARATE FUNDING MECHANISMS FOR EXPENDITURES**

### **Article 16. State assignment**

1. The state task shall be to order the subjects of the quasi-public sector with the participation of the state in the authorized capital and other legal entities determined by the Government of the Republic of Kazakhstan to public service provision certain and perform other tasks.

2. Government tasks can include orders that meet one or more of the following criteria:

1) the absence of any other possibility of ensuring national security, state defense or protecting the interests of society;

2) use, operation and maintenance of strategic facilities, critical facilities, including information and communication infrastructure facilities owned by the state, due to ensuring public interests and national security;

3) lack of competition in the relevant market for goods, works and services;

4) exclusivity and uniqueness of goods, work, services, intellectual property objects.

It shall be prohibited to plan a state assignment that shall not meet the criteria provided for in part one of this paragraph.

3. Planning of the state assignment shall be carried out in compliance with the requirements established by this Code when developing the budget, taking into account the positive conclusion of the antimonopoly authority for compliance with the criteria provided for in part one of paragraph 2 of this Article, issued in the manner determined by the antimonopoly authority.

If the state assignment is subcontracted by entities of the quasi-public sector and legal entities specified in paragraph 1 of this Article responsible for the execution of the state assignment, the conclusion of the antimonopoly authority shall determine the scope and conditions for subcontracting the state assignment.

The provisions of this paragraph shall not apply to the planning of the state assignment on the started (ongoing) state assignments.

4. The cost of the state assignment shall be established in the manner determined by the central authorized bodies of the relevant industry (sphere) in agreement with the central authorized body for budget planning.

5. Indicators of the results of the state assignment shall be determined in the development plans of state bodies and (or) passports of budget programs of the corresponding budget program administrators.

6. The central authorized body for budget planning shall generate summary information on state tasks, for the implementation of which budget funds shall be provided in the draft republican budget, and shall include in the materials attached to the draft law on the republican budget.

7. Allocation of budgetary funds to the subjects of the quasi-public sector with the participation of the state in the authorized capital for the implementation of the state task shall be carried out without increasing the authorized capital.

8. The fulfillment of the state task shall be carried out without observing the competitive procedures provided for by the legislation of the Republic of Kazakhstan on public procurement, by concluding a civil law transaction between the administrator of the republican budget programs and the executor of the state task.

Civil law transactions concluded in violation of paragraph 2 of this Article can be recognized as invalid by the court at the suit of interested parties.

9. Entities of the quasi-public sector and legal entities specified in paragraph 1 of this Article shall annually generate reports on the implementation of the state task, containing information on the progress and results of its implementation, and submit to the administrators of budget programs.

10. Information on the fulfillment of the state assignment shall be included in the annual report on the execution of the republican budget and shall be subject to publication in accordance with Article 40 of this Code.

11. The procedure for planning a state assignment shall be determined by the central authorized body for budget planning.

The procedure for fulfilling the state assignment and drawing up reports on the fulfillment of the state assignment, the forms and deadlines for its submission, as well as the requirements for the information provided on the progress and results of the state assignment shall be determined by the central authorized body for budget execution.

12. Responsibility for the fulfillment of the state assignment shall be assigned to the first heads of administrators of republican budget programs, entities of the quasi-public sector and legal entities specified in paragraph 1 of this Article, in accordance with Article 41 of this Code.

#### **Article 17. Peculiarities of pilot projects in the field of budgetary relations**

1. Pilot project in the field of budget relations - a temporary project conducted on behalf of the President of the Republic of Kazakhstan on a limited scale in order to identify the realism, time costs, volume of expenditures, shortcomings and effect of the proposed solution for its implementation

2. A pilot project in the field of budgetary relations should meet the following criteria:  
the solution proposed for its realization should be unique (innovative, high-tech);  
have specific objectives and expected results;  
have a time limit;  
have a completed nature;  
have a positive economic (social) effect;  
be realistic.

3. Realization (introduction) of a pilot project in the field of budget relations and (or) its management can be carried out by subjects of quasi-state sector.

Powers, mechanisms, functioning and activity of subjects of quasi-state sector on realization (introduction) of the pilot project in the field of budget relations and (or) its management shall be determined in accordance with the Laws of the Republic of Kazakhstan.

The first head of the subject of quasi-state sector shall be responsible for implementation (introduction) of the pilot project in the field of budget relations and (or) its management, established by the Laws of the Republic of Kazakhstan.

4. Procedure and terms of implementation (introduction) of the pilot project in the field of budget relations shall be developed by the relevant central authorized body and approved by the Government of the Republic of Kazakhstan.

5. The state body independently implementing a pilot project in the field of budgetary relations, as well as by transferring to a quasi-public sector entity, analyzes and evaluates its implementation, including for the achievement of expected results, taking into account which it sends to the Government of the Republic of Kazakhstan information on the results and proposals on the feasibility of its further implementation.

## **Chapter 5. RESERVES**

### **Article 18. General provisions on reserves**

1. Reserves shall be formed as part of the republican, regional budget, the budget of the city of republican significance, the capital, the district (city of regional significance) budget to finance costs that shall not be planned during the development of the republican and local budgets due to their contingency and require urgent financing in the current fiscal year.

2. The allocation of budgetary funds from the reserves of the Government of the Republic of Kazakhstan and local executive bodies shall be carried out by resolutions of the Government of the Republic of Kazakhstan and local executive bodies, as well as legal acts of the authorized body in the field of civil protection, which shall expire at the end of the fiscal year.

3. The procedure for distributing the reserve for the initiatives of the President of the Republic of Kazakhstan shall be established by the Government of the Republic of Kazakhstan.

4. The procedure for the distribution and use of reserves of the Government of the Republic of Kazakhstan and local executive bodies shall be established by the Government of the Republic of Kazakhstan.

5. It shall not be allowed to use the funds of the reserve of the Government of the Republic of Kazakhstan in the next fiscal year.

### **Article 19. Reserve for initiatives of the President of the Republic of Kazakhstan**

1. The reserve for the initiatives of the President of the Republic of Kazakhstan shall be formed as part of the republican budget for the first year of the planning period in the amount of at least one and a half and no more than three percent of the planned volume of republican budget revenues for the next fiscal year, excluding transfers.

2. The reserve for the initiatives of the President of the Republic of Kazakhstan shall be provided for under a separate distributed budget program administered by the central authorized body for budget planning, and shall be distributed during the current fiscal year.

3. The reserve for the initiatives of the President of the Republic of Kazakhstan shall be used to finance unforeseen and urgent financing in the current fiscal year costs associated with the implementation of the annual messages of the President of the Republic of

Kazakhstan to the people of Kazakhstan and other initiatives of the President of the Republic of Kazakhstan.

4. Allocation of budgetary funds from the reserve for the initiatives of the President of the Republic of Kazakhstan during the fiscal year shall be carried out on behalf of the President of the Republic of Kazakhstan by a resolution of the Government of the Republic of Kazakhstan, which recognized as invalid at the end of the fiscal year.

**Article 20. Reserves of the Government of the Republic of Kazakhstan and local executive bodies**

1. The reserve of the Government of the Republic of Kazakhstan shall include:

- 1) emergency reserve;
- 2) a reserve for life support of the population during the elimination of natural and man-made emergencies;
- 3) reserve for urgent costs;
- 4) reserve for fulfillment of obligations under court decisions;
- 5) a reserve to cover the cash deficit of regional budgets, budgets of cities of republican significance, the capital.

2. The reserve of the local executive body shall include:

- 1) emergency reserve;
- 2) reserve for urgent costs;
- 3) reserve for fulfillment of obligations under court decisions;
- 4) a reserve to cover the cash deficit of regional (cities of regional significance) budgets or budgets of cities of regional significance, villages, towns, rural districts, respectively.

3. The total volume of the reserve of the Government of the Republic of Kazakhstan shall be formed as part of the republican budget in the amount of up to three percent of the planned volume of revenues of the republican budget for the next fiscal year, excluding transfers.

The total amount of the reserve of the local executive body shall be established by the decision of the relevant local representative body in the amount of at least two percent of the amount of revenues of the relevant local budget, excluding transfers, loans and budget withdrawals to the higher budget.

4. In case of insufficient budgetary funds provided for one of the types of reserve, the Government of the Republic of Kazakhstan or the local executive body shall increase the planned assignments of the corresponding reserve by redistributing the total reserves of the Government of the Republic of Kazakhstan or the local executive body by adjusting the corresponding budget.

5. The emergency reserve shall be used to eliminate emergencies of a social, natural and man-made nature and their consequences, to carry out measures to ensure the legal regime of the state of emergency on the territory of the Republic of Kazakhstan and to provide official humanitarian assistance by the Republic of Kazakhstan to other states.



Financing of revenues from the emergency reserve for measures to eliminate emergency situations of a social, natural and man-made nature and their consequences, provided for by the decisions of the Government of the Republic of Kazakhstan or local executive bodies, respectively, can be carried out by authorized budget execution bodies as administrators of budget programs submit supporting documents in accordance with the legislation of the Republic of Kazakhstan.

6. The reserve for the life support of the population during the elimination of natural and man-made emergencies shall be used for the implementation of measures aimed at preserving the life and maintaining the health of people in emergency zones, on evacuation routes and in places where evacuated people are located.

7. The reserve for urgent costs shall be used to eliminate situations that threaten the political, economic and social stability of the Republic of Kazakhstan or its administrative-territorial unit, as well as the life and health of people.

The reserve of the Government of the Republic of Kazakhstan for urgent expenses must be used for other unforeseen expenses determined by decisions of the Government of the Republic of Kazakhstan.

Funding from the reserve for emergency costs of expenses financed from the Special State Fund shall not be allowed.

8. The reserve for the fulfillment of obligations under court decisions shall be used to fulfill the obligations of the Government of the Republic of Kazakhstan, central state bodies, their departments and territorial subdivisions, local executive bodies for court decisions.

9. The reserve for covering cash deficit shall be used for granting budget credits to lower budgets in case of forecast in the next fiscal year of cash deficit of their budgets in accordance with Article 113 of this Code..

Borrowing by the local executive body of the lower budget and (or) the apparatus of the akim of the city of regional significance, village, settlement, rural district in the event of a forecast in the next fiscal year of a cash shortage can be carried out for up to six months within the fiscal year by adjusting the budget.

10. Allocation of budget funds from the reserves of the Government of the Republic of Kazakhstan and the local executive body of the region, district (city of regional significance) to the lower budget shall be carried out in the form of targeted transfers.

#### **Article 21. Reporting on the use of reserves**

1. The central authorized body for budget execution and the local authorized body for budget execution, together with the administrators of budget programs, shall generate reports on the use of reserves for the fiscal year.

2. Reports on the use of reserves shall be formed by their types, indicating the reasons for the allocation of funds, the final results achieved, provided for by the passports of the relevant

budget programs, and should contain information about the absence of alternative sources in the budget for the corresponding costs and the reasons for the impossibility of planning them when developing the budget.

3. Reporting on the use of reserves shall be subject to publication in accordance with Article 40 of this Code.

4. Information on the use of reserves shall be included in the annual performance report of the relevant budget.

5. The procedure for generating reports on the use of reserves and their publication shall be determined by the central authorized body for budget execution.

## **Chapter 6. DISTRIBUTION OF BUDGET REVENUES BETWEEN BUDGET LEVELS**

### **Article 22. General provisions on distribution of income**

1. The distribution of revenues between the republican and local budgets shall be based on the principles of extrabudgetary relations defined in Article 78 of this Code.

2. It shall not be allowed to establish in other legislative acts of the Republic of Kazakhstan, except for this Code, the level of the budget in which revenues should be credited.

Transfer of certain types of revenues from one level of the budget to another shall be carried out only upon introduction of amendments and additions to this Code.

3. Distribution of revenues between the republican budget, local budgets, cash control accounts of extra-budgetary funds formed from non-tax payments shall be carried out in accordance with paragraph 5 of Article 107 of this Code.

### **Article 23. Revenues to the republican budget**

1. Tax revenues to the republican budget shall be:

1) corporate income tax from large business entities according to the register of business entities formed in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship, with the exception of revenues from organizations in the oil sector;

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

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

4) payment for the provision of long-distance and (or) international telephone communications, as well as cellular communications;

5) bonuses, with the exception of income from organizations in the oil sector;

6) tax on the extraction of minerals, except for commonly occurring minerals, underground waters, therapeutic muds and revenues from oil sector organizations;

7) rental tax on exports, with the exception of revenues from organizations of the oil sector;

- 8) payment for the use of the radio frequency spectrum;
- 9) fee for state registration of medicines and medical devices, as well as their re-registration;
- 10) a fee for registration of a television, radio channel, periodical print publication, news agency and network publication;
- 11) fee for state registration of space objects and rights to them;
- 12) fee for issuing permits, consent for participants in the banking and insurance markets;
- 13) license fee for issuing a license related to the right to engage in certain subspecies of activities in the field of hydrocarbons;
- 14) fee for issuing a document confirming the residence of a foreigner or stateless person who shall be an investment resident of the Astana International Financial Center;
- 15) customs duties on imported and exported goods;
- 16) customs duties paid in accordance with the customs legislation of the Republic of Kazakhstan;
- 17) special, anti-dumping, compensation duties paid in connection with the application of measures to protect the domestic market;
- 18) advance payments made in accordance with the customs legislation of the Eurasian Economic Union and the Republic of Kazakhstan for the payment of upcoming payments listed in subparagraphs 15), 16) and 17) of this paragraph, as well as value added tax and excise taxes on goods imported into the customs territory of the Eurasian Economic Union;
- 19) consular fee;
- 20) tax revenues from organizations of the oil sector specified in subparagraph 1) of paragraph 2 of Article 58 of this Code, based on the results of tax audits.

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

- 1) income from republican property:
  - receipts of part of the net income of republican state enterprises;
  - receipts of part of the net income of the National Bank of the Republic of Kazakhstan;
  - dividends on Republican-owned government stakes;
  - income on shares in legal entities owned by the Republic;
  - income from the lease of property owned by the republic;
  - remuneration received from the placement of temporarily free funds of the republican budget in financial instruments, and for the daily balance of money in a unified treasury account;
  - remuneration received from placement in financial instruments of temporarily free budget funds by entities of the quasi-public sector;
  - remuneration for loans issued from the republican budget;
  - other income from republican property;
- 2) receipts from the sale of goods (works, services) by state institutions financed from the republican budget;

3) receipt of money from public procurement organized by state institutions financed from the republican budget;

4) grants attracted by central government bodies;

5) other non-tax revenues to the republican budget, with the exception of revenues from organizations of the oil sector and to extra-budgetary funds formed from non-tax payments.

3. Proceeds from the sale of fixed capital to the republican budget shall be money from the sale of goods from the state material reserve.

4. Special revenues to the republican budget shall be deductions of subsoil users for research, scientific, technical, and development work in the Republic of Kazakhstan.

5. Transfers to the republican budget shall be:

1) transfers from regional budgets, budgets of cities of republican significance, the capital;

2) guaranteed transfer to the republican budget from the National Fund of the Republic of Kazakhstan;

3) targeted transfer to the republican budget from the National Fund of the Republic of Kazakhstan;

4) transfer from the Special State Fund.

6. The republican budget shall be credited with proceeds from the repayment of loans issued from the republican budget, government loans.

#### **Article 24. Revenues to the budget of the city of republican significance, the capital**

1. Tax revenues to the budget of the city of republican significance, the capital shall be:

1) corporate income tax, with the exception of revenues from large enterprises credited to the republican budget, and revenues from organizations of the oil sector;

2) individual income tax;

3) social tax;

4) property tax on individuals and legal entities, individual entrepreneurs;

5) land tax;

6) vehicle tax;

7) unified land tax;

8) excise taxes on:

all types of alcohol produced in the territory of the Republic of Kazakhstan;

alcoholic beverages produced in the Republic of Kazakhstan;

brewing products with a volume content of ethyl alcohol of not more than 0.5 percent, produced in the territory of the Republic of Kazakhstan;

tobacco products manufactured in the Republic of Kazakhstan;

cars (except for cars with manual control or manual control adapter, specially designed for individuals with disabilities) manufactured in the Republic of Kazakhstan;

gasoline (excluding aviation), diesel fuel, gasochol, benzanol, nefras, a mixture of light hydrocarbons and environmental fuel;

- 9) mineral extraction tax on common minerals, groundwater and therapeutic mud, with the exception of revenues from organizations of the oil sector;
  - 10) payment for the use of water resources of surface sources;
  - 11) payment for forest use;
  - 12) payment for the use of the animal world;
  - 13) payment for the use of land;
  - 14) digital mining fees;
  - 15) payment for reimbursement of historical costs;
  - 16) payment for the use of plant resources in the order of special use of the plant world;
  - 17) payment for outdoor (visual) advertising outside the premises in the city of republican significance, the capital, in the right-of-way of public roads passing through the territory of the city of republican significance, the capital;
  - 18) toll collection on the territory of the Republic of Kazakhstan;
  - 19) fee for the right to engage in certain types of activities (fee for issuing licenses to engage in certain types of activities);
  - 20) a fee for issuing permission to use the radio frequency spectrum to television and radio broadcasting organizations;
  - 21) a fee for state (accounting) registration of legal entities, their branches and representative offices, with the exception of commercial organizations, as well as their re-registration;
  - 22) a fee for state registration of a pledge of movable property and a ship's mortgage, as well as state registration of an irrevocable authority to deregister and export an aircraft;
  - 23) a fee for state registration of vehicles, as well as their re-registration;
  - 24) a fee for issuing or renewing a permit to attract foreign labor to the Republic of Kazakhstan;
  - 25) payment for the use of licenses for certain types of activities;
  - 26) state duty, except for consular fee.
2. Non-tax revenues to the budget of the city of republican significance, the capital shall be:
- 1) utility property revenues:
    - receipts of a part of the net income of public utilities created by the decision of the akimat of the city of republican significance, the capital;
    - dividends on state blocks of shares owned by the city of republican significance, the capital;
    - income for shares in legal entities owned by the city of republican significance, the capital
  - ;
  - income from the lease of property owned by the city of republican significance, the capital;

income from the rental of dwellings from the housing stock owned by the city of republican significance, the capital;

remuneration received from placement in deposits of temporarily free budget money;

remuneration for loans issued from the budget of the city of republican significance, the capital;

other income from communal property of the city of republican significance, the capital;

2) receipts from the sale of goods (works, services) by state institutions financed from the budget of the city of republican significance, the capital;

3) receipt of money from public procurement organized by state institutions financed from the budget of the city of republican significance, the capital;

4) fines, penalties, sanctions, penalties imposed by state institutions, with the exception of revenues from organizations of the oil sector and extra-budgetary funds formed from non-tax payments;

5) grants attracted by local executive bodies;

6) other non-tax revenues to the budget of the city of republican significance, the capital.

3. Revenues to the budget of the city of republican significance, the capital from the sale of fixed capital shall be:

1) proceeds from the sale of property to the budget of the city of republican significance, the capital, assigned to state institutions financed from the budget of the city of republican significance, the capital;

2) proceeds from the privatization of housing from the state housing fund;

3) proceeds from the sale of land plots, with the exception of agricultural land plots;

4) payment for the sale of land lease rights.

4. Special revenues to the budget of the city of republican significance, the capital shall be :

1) payment for negative impact on the environment;

2) deductions of subsoil users for the socio-economic development of the region, the development of its infrastructure;

3) deductions of subsoil users to finance the training of Kazakhstani personnel;

4) fines for violation of the standards of permissible anthropogenic impact on the environment from subsoil users, imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses, to be credited at the location of the facility that has a negative impact on the environment;

5) funds received from subsoil users and organizations of the oil sector in claims for compensation for harm, fines in the field of environmental protection imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses, to be credited at the location of the facility that has a negative impact on the environment.

5. Transfers to the budget of the city of republican significance, the capital shall be transfers from the republican budget.

6. The budget of the city of republican significance, the capital shall be credited with proceeds from the repayment of loans issued from the budget of the city of republican significance, the capital, the sale of financial assets of the state owned by the city of republican significance, the capital, loans from local executive bodies of the city of republican significance, the capital.

#### **Article 25. Revenues to the regional budget**

1. Tax revenues to the regional budget shall be:

1) social tax according to the standards for the distribution of income established by the regional maslikhat;

2) payment for the use of water resources of surface sources;

3) payment for forest use;

4) payment for the use of the animal world;

5) digital mining fees;

6) payment for reimbursement of historical costs;

7) payment for the use of plant resources in the order of special use of the plant world;

8) a fee for issuing or renewing a permit to attract foreign labor to the Republic of Kazakhstan;

9) toll collection on the territory of the Republic of Kazakhstan;

10) a fee for issuing permission to use the radio frequency spectrum to television and radio broadcasting organizations;

11) gambling tax.

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

1) utility property revenues:

receipts of part of the net income of public utilities created by the decision of the regional akimat;

dividends on state blocks of shares owned by the regional communal property;

income for shares in legal entities owned by the regional communal property;

income from the lease of property owned by the regional communal property;

income from the rental of dwellings from the housing stock owned by the regional communal property;

remuneration received from placement in deposits of temporarily free budget money;

remuneration for loans issued from the regional budget;

other income from regional communal property;

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

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

4) fines, penalties, sanctions, penalties imposed by state institutions, with the exception of revenues from organizations of the oil sector and extra-budgetary funds formed from non-tax payments;

5) grants attracted by local executive bodies;

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

3. Proceeds to the regional budget from the sale of fixed capital shall be:

1) proceeds from the sale of property assigned to state institutions financed from the regional budget;

2) proceeds from the privatization of dwellings from the public housing stock.

4. Special revenues to the regional budget shall be:

1) payment for negative impact on the environment;

2) deductions of subsoil users for the socio-economic development of the region, the development of its infrastructure;

3) deductions of subsoil users to finance the training of Kazakhstani personnel;

4) fines for violation of the standards of permissible anthropogenic impact on the environment from subsoil users imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses and subject to enrollment at the location of the facility that has a negative impact on the environment;

5) funds received from subsoil users and organizations of the oil sector in claims for compensation for harm, fines in the field of environmental protection imposed in accordance with the legislation of the Republic of Kazakhstan on administrative offenses, to be credited at the location of the facility that has a negative impact on the environment.

5. Transfers to the regional budget shall be:

1) transfers from regional (cities of regional significance) budgets;

2) transfers from the republican budget.

6. The regional budget shall be credited with proceeds from the repayment of loans issued from the regional budget, the sale of financial assets of the state owned by the regional communal property, loans from local executive bodies of the regions.

#### **Article 26. Receipts to the district (cities of regional significance) budget**

1. Tax revenues to the district (cities of regional significance) budget shall be:

1) corporate income tax, with the exception of revenues from large enterprises credited to the republican budget, and revenues from organizations of the oil sector;

2) individual income tax, with the exception of individual income tax on income subject to self-taxation by individuals who shall have on the territory of the city of district significance, village, settlement the following declared when registering with the state revenue body:

location - for an individual entrepreneur, private notary, private bailiff, lawyer, professional mediator;

place of residence - for other individuals;



3) individual income tax on the income of individual entrepreneurs applying a special tax regime using a special mobile application and being executors in accordance with the Social Code of the Republic of Kazakhstan, paid and transferred by the State Corporation "Government for Citizens" to the district (city of regional significance) budget in accordance with the Laws of the Republic of Kazakhstan;

4) social tax according to the standards for the distribution of income established by the regional maslikhat;

5) property tax of individuals and legal entities, individual entrepreneurs, with the exception of property tax of individuals on objects subject to this tax located on the territory of the city of district significance, village, settlement, rural district;

6) land tax, with the exception of land tax on the land of settlements from individuals and legal entities on land plots located on the territory of the city of regional significance, village, settlement;

7) vehicle tax, excluding vehicle tax:

from individuals whose place of residence shall be located on the territory of a city of regional significance, village, settlement;

from legal entities whose location, indicated in their constituent documents, shall be located on the territory of a city of regional significance, a village, a settlement;

8) unified land tax;

9) excise taxes on:

all types of alcohol produced in the territory of the Republic of Kazakhstan;

alcoholic beverages produced in the Republic of Kazakhstan;

brewing products with a volume content of ethyl alcohol of not more than 0.5 percent, produced in the territory of the Republic of Kazakhstan;

tobacco products manufactured in the Republic of Kazakhstan;

cars (except for cars with manual control or manual control adapter, specially designed for persons with disabilities) manufactured in the Republic of Kazakhstan;

gasoline (excluding aviation), diesel fuel, gasochol, benzanol, nefras, a mixture of light hydrocarbons and environmental fuel;

10) payment for the use of land plots, with the exception of land plots located on the territory of a city of regional significance, a village, a settlement;

11) mineral extraction tax on common minerals, groundwater and therapeutic mud, with the exception of the mineral extraction tax on common minerals, groundwater and therapeutic mud located in the city of regional significance, village, settlement, rural district, and with the exception of revenues from organizations of the oil sector;

12) license fee for the right to engage in certain types of activities (fee for issuing licenses for engaging in certain types of activities);

13) payment for placing outdoor (visual) advertising in an open space outside the premises in a city of regional significance, in the right-of-way of public roads passing through the territory of a city of regional significance;

14) a fee for state (accounting) registration of legal entities, their branches and representative offices, with the exception of commercial organizations, as well as their re-registration;

15) a fee for state registration of vehicles, as well as their re-registration;

16) a fee for state registration of a pledge of movable property and a ship's mortgage, as well as state registration of an irrevocable authority to deregister and export an aircraft;

17) payment for the use of licenses for certain types of activities;

18) state duty, except for consular fee.

2. Non-tax revenues to the district (cities of regional significance) budget shall be:

1) utility property revenues:

receipts of part of the net income of public utilities created by the decision of the district (city of regional significance) akimat;

dividends on state blocks of shares located in the district (city of regional significance) communal property;

income for shares in legal entities located in district (city of regional significance) communal property;

income from the lease of property of district (city of regional significance) communal property, with the exception of income from the lease of property of district (city of regional significance) communal property, which shall be managed by the akim of the city of regional significance, village, village, rural district;

income from the rental of dwellings from the housing stock located in the district (city of regional significance) communal property, with the exception of income from the rental of state property managed by the akim of the city of regional significance, village, settlement, rural district;

remuneration for loans issued from the district (city of regional significance) budget;

other income from district (city of regional significance) communal property;

2) receipts from the sale of goods (works, services) by state institutions financed from the district (city of regional significance) budget;

3) receipt of money from public procurement organized by state institutions financed from the district (city of regional significance) budget;

4) fines imposed by state institutions financed from the district (city of regional significance) budget, with the exception of fines imposed by akims of cities of regional significance, villages, towns, rural districts;

5) grants attracted by local executive bodies;

6) other non-tax revenues to the district (cities of regional significance) budget.

3. Receipts to the district (cities of regional significance) budget from the sale of fixed capital shall be:

1) proceeds from the sale of property assigned to state institutions financed from the district (city of regional significance) budget;

2) proceeds from the privatization of housing from the state housing fund;

3) proceeds from the sale of land plots, with the exception of proceeds from the sale of agricultural land plots or land plots located on the territory of a city of regional significance, a village, a settlement;

4) payment for the sale of the right to lease land plots, with the exception of land plots located on the territory of a city of regional significance, a village, a settlement.

4. Transfers to the district (cities of regional significance) budget shall be transfers from the regional budget and budgets of cities of regional significance, villages, towns, rural districts.

5. The district (city of regional significance) budget shall be credited with proceeds from the repayment of loans issued from the district (city of regional significance) budget, the sale of financial assets of the state owned by the district (city of regional significance), loans from the local executive body of the district (city of regional significance).

**Article 27. Revenues to the budgets of the city of regional significance, a village, a settlement, rural district**

1. Tax revenues to the budgets of the city of regional significance, a village, a settlement, rural district shall be:

1) unless otherwise established by subparagraph 2) of paragraph 1 of Article 26 of this Code, the individual income tax on income subject to self-taxation by individuals who shall have the following declared when registering with the state revenue body in the territory of the city of district significance, a village, a settlement:

location - for an individual entrepreneur, private notary, private bailiff, lawyer, professional mediator;

place of residence - for other individuals;

2) property tax of individuals on objects subject to this tax located on the territory of a city of district significance, a village, a settlement, rural district;

3) land tax on the land of settlements from individuals and legal entities on land plots located on the territory of the city of regional significance, a village, a settlement;

4) vehicle tax:

from individuals whose place of residence shall be located on the territory of a city of regional significance, a village, a settlement;

from legal entities whose location, indicated in their constituent documents, shall be located on the territory of a city of regional significance, a village, a settlement;

5) unified land tax;

6) payment for the use of land plots;

7) payment for outdoor (visual) advertising:

in the open space outside the premises in the city of regional significance, a village, a settlement;

in the right of way of public roads passing through the territory of the city of regional significance, a village, a settlement, a rural district;

in the open space outside the premises outside settlements and outside the right-of-way of public roads;

8) mineral extraction tax on common minerals, groundwater and therapeutic mud located in the city of district significance, village, settlement, rural district.

2. Non-tax revenues to the budget of the city of regional significance, a village, a settlement, rural district shall be:

1) fines imposed by the akim of the city of district significance, a village, a settlement, a rural district for administrative offenses;

2) voluntary fees of individuals and legal entities;

3) income from communal property of the city of regional significance, village, settlement, rural district (communal property of local self-government):

receipts of a part of the net income of public utilities created by decision of the apparatus of the akim of the city of regional significance, village, village, rural district;

income for shares in legal entities owned by the city of district significance, a village, a settlement, a rural district (communal property of local self-government);

income from the lease of property of communal property of the city of regional significance, a village, a settlement, a rural district (communal property of local self-government);

remuneration for loans issued from the budget of the city of regional significance, a village, a settlement, a rural district;

other income from communal property of the city of regional significance, a village, a settlement, a rural district (communal property of local self-government);

4) other non-tax revenues to the budget of the city of regional significance, a village, a settlement, a rural district.

3. Revenues to the budgets of the city of regional significance, a village, a settlement, a rural district from the sale of fixed capital shall be:

1) proceeds from the sale of property assigned to state institutions financed from the budget of the city of regional significance, a village, a settlement, a rural district;

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

3) payment for the sale of land lease rights.

4. Transfers to the budget of the city of regional significance, a village, a settlement, a rural district shall be transfers from the district (city of regional significance) budget.

**Article 28. Income to extra-budgetary funds generated by non-tax income**

The types of non-tax revenues received by extra-budgetary funds shall be determined by Chapter 13 of this Code.

## **Chapter 7. DISTRIBUTION OF EXPENSES BETWEEN BUDGET LEVELS**

### **Article 29. General provisions on the distribution of expenses between budget levels**

1. Directions of budget revenues shall be determined on the basis of functions, powers and competencies established in accordance with the Laws of the Republic of Kazakhstan, as well as on the basis of the register of functions of state bodies formed in accordance with the legislation of the Republic of Kazakhstan on administrative procedures, and the register of public services formed in accordance with the legislation of the Republic of Kazakhstan in the public service provision.

2. It is not allowed to establish in other legislative acts of the Republic of Kazakhstan, except for this Code, the budget level at the expense of which expenses should be financed.

Transfer of revenues from one budget level to another shall be carried out only if introduction of amendments and additions to this Code shall be made in compliance with the requirements of paragraph 6 of Article 70 of this Code and the transfer of targeted current transfers in accordance with paragraph 2 of Article 83 of this Code.

3. It is not allowed to finance revenues of a certain budget level from other budget levels.

4. Revenues of central state bodies, their departments, territorial divisions and territorial divisions of departments financed from the republican budget shall be planned on the basis of staffing limits approved by the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, taking into account natural standards.

5. Expenses of local executive bodies, akims of cities of regional significance, villages, settlements, rural districts financed from the local budget shall be planned on the basis of staffing limits approved by the Government of the Republic of Kazakhstan, taking into account natural standards.

### **Article 30. Republican budget revenues**

1. Republican budget revenues shall be carried out in the following areas:

1) government functions of a general nature:

provision, service and protection of the President of the Republic of Kazakhstan and his family;

functioning of the Parliament of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan, the Supreme Judicial Council of the Republic of Kazakhstan and the Constitutional Court of the Republic of Kazakhstan;

ensuring the activities of the Commissioner for Human Rights in the Republic of Kazakhstan;

state audit and financial control;

holding referendums and elections, with the exception of elections financed from the regional budget;

functioning of state bodies directly subordinate and accountable to the President of the Republic of Kazakhstan, with the exception of state bodies financed in other areas of the republican budget;

functioning of central executive bodies not assigned to other areas performing general functions of public administration;

awarding state prizes and awarding state awards in various industries and fields of activity in accordance with the legislation of the Republic of Kazakhstan;

ensuring the formation of a leading international financial services center;

2) defense:

organization and support of state defense;

organization of measures related to the implementation of universal military duty, with the exception of measures financed from the regional budget, the budgets of the city of republican significance, the capital and the district (city of regional significance);

organization of activities in the field of civil protection and social emergencies;

ensuring the activities of the state fire service;

organization of the civil defense system;

mobilization training and mobilization;

formation and storage of state material reserves, with the exception of medicines and medical devices of the mobilization reserve;

prevention and elimination of natural and man-made emergencies of global, regional scale and their consequences;

organization and support of professional emergency services;

3) public order, security, legal, judicial, penal activities:

law enforcement;

protection of public order and ensuring public safety on the territory of the Republic of Kazakhstan, with the exception of areas financed from the regional budget, budgets of the city of republican significance, the capital;

organization and support of the activities of the penitentiary (penitentiary) system, with the exception of the provision and maintenance of the probation service;

ensuring the protection of state secrets;

activities in the field of justice;

ensuring national security;

ensuring the safety of protected individuals and entities;

functioning of the judicial system;

countering corruption crimes;

4) education and science:

financing of scientific and (or) scientific and technical activities;

general education of gifted children in republican educational organizations;

carrying out extracurricular activities of republican significance;

training of specialists with postgraduate, technical and professional, post-secondary and higher education in educational organizations financed from the republican budget;

advanced training and retraining of personnel at the republican level;

providing textbooks and educational and methodological complexes of republican organizations of secondary education, as well as compatriots studying in foreign schools in accordance with international treaties;

5) healthcare:

provision of a guaranteed amount of free medical care, except for areas of revenues financed from local budgets, and compulsory social health insurance;

organization of an emergency medical care service for the elimination of emergencies of a social, natural and man-made nature at the republican level;

forensic medical, forensic psychiatric and forensic narcological examination;

ensuring the sanitary and epidemiological well-being of the population by the sanitary and epidemiological service;

medical care for military personnel, employees of special state and law enforcement agencies, civil defense agencies and certain categories of civil servants and citizens in accordance with the legislative acts of the Republic of Kazakhstan;

activities in the field of health protection of citizens, except for revenues financed from local budgets and the social health insurance fund;

supply and storage of medicines and medical devices of mobilization reserve;

6) social assistance and social security:

pension payments to citizens entitled to pension provision in accordance with the legislation of the Republic of Kazakhstan on pension provision at the expense of budgetary funds;

state social benefits, state special benefits, special state benefits and other benefits established by legislative acts of the Republic of Kazakhstan, except for those paid from local budgets;

social assistance and social benefits provided for by legislative acts of the Republic of Kazakhstan and (or) being obligations of the Government of the Republic of Kazakhstan;

implementation of migration policy;

7) culture, sports, tourism and information space:

activities in the field of culture, sports and tourism at the republican level;

implementation of state information policy at the republican level;

activities in the field of social development, development of civil society, interethnic relations, interfaith harmony, youth, family and gender policies, access to information at the republican level;

8) agriculture, water, forestry, fisheries, specially protected natural areas, environmental and wildlife protection, land relations:

ensuring the protection and rational use of water resources;

- carrying out measures for reclamation of irrigated lands;
- management, conservation and development of forest resources and wildlife;
- maintenance of specially protected natural areas of republican significance, restoration of the state nature reserve fund;
- carrying out environmental protection measures at the republican level;
- hydrometeorological monitoring;
- agriculture and land management;
- regulation of land relations at the republican level;
- diagnosis of animal diseases, antiepidemics;
- development of animal husbandry and production, sale of livestock products;
- development of production and sale of crop production;
- agrochemical and agroclimatic support for agricultural production;
- state regulation of technical support for the agro-industrial complex;
- subsidizing the agro-industrial complex in accordance with the Laws of the Republic of Kazakhstan;
- topographic, geodetic and cartographic works;
- subsidizing the revenues of loans attracted under state guarantees for the development of reservoirs, canals and hydraulic structures of the Republic of Kazakhstan;

9) housing and communal services, architectural, town planning and construction activities:

- modernization and development of heat supply, power supply, gas supply, water supply and sanitation facilities for settlements, as well as improvement of settlements;
- regulation of the sphere of municipal waste management;
- carrying out measures to improve architectural, town planning and construction activities;

10) industry, fuel and energy complex and subsoil use:

- implementation of state industrial policy;
- development of industries and geology;
- development of the fuel and energy complex;
- implementation of energy, resource saving and energy efficiency measures at the national level;

- monitoring of subsoil and subsoil use, seismological information;
- state geological study;
- subsidizing part of the interest rate on loans within the framework of national projects in accordance with the laws of the Republic of Kazakhstan;

11) transport and communications:

- state regulation and development of transport, transport infrastructure, passenger, freight traffic and transit potential;
- reimbursement of expenses on loans attracted under a state guarantee for the development of town rail transport in the city of republican significance, the capital;



development of info communication infrastructure and information security;

aerospace activities;

12) regulation of economic activity:

state policy in the areas of foreign trade activities, domestic trade;

state policy in the areas of technical regulation, standardization, metrology and certification;

state innovation policy;

development of private entrepreneurship, self-regulation;

development and protection of competition;

13) fulfillment of state obligations:

servicing and repayment of government debt;

fulfillment of obligations under state guarantees;

fulfillment of obligations under state guarantees to support exports;

revenues on government loan hedging transactions;

fulfillment of obligations under state guarantees;

fulfillment of state obligations under turnkey construction contracts;

fulfillment of state obligations under public-private partnership projects of the Government of the Republic of Kazakhstan;

reimbursement of expenses under the contract of trust management of state property;

fulfillment of state obligations on payments, non-transferable debt obligations (bills) related to the membership of the Republic of Kazakhstan, and donor contributions to international financial organizations;

14) transfers:

transfers to regional budgets, budgets of cities of republican significance, the capital.

2. The republican budget also finances revenues in the areas specified in paragraph 1 of this article, for:

1) capital revenues, retraining and advanced training of employees of central state bodies and state institutions;

2) budget investments, international cooperation, fundamental and applied scientific research, analytical and sociological research and regulatory and methodological support;

3) other public services, functions, powers and competencies of central state bodies established in accordance with the Laws of the Republic of Kazakhstan.

**Footnote. Article 30 as amended by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication); dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

### **Article 31. Budget revenues of the city of republican significance, the capital**

1. Revenues of budgets of cities of republican significance, the capital shall be carried out in the following directions:

1) government functions of a general nature:

mobilization preparation and mobilization, preparation of territorial defense and territorial defense of a city of republican significance, the capital, including provision of territorial bodies of territorial troops of a city of republican significance, the capital with office premises, buildings, structures, vehicles, technical means of information, telecommunications and communications, furniture and barracks equipment, including their maintenance, service and repair, acquisition of fuel and lubricants, office supplies, as well as costs for payment of utilities, electricity, heating and communications services, creation of reserves of material and technical resources in accordance with the standards of regular wartime needs, conducting special deployment of territorial troops of the Armed Forces of the Republic of Kazakhstan, conducting military training with military personnel of units of territorial troops of the Armed Forces of the Republic of Kazakhstan;

2) defense:

mobilization training and mobilization, preparation of territorial defense and territorial defense of the city of republican significance, capital, including provision of territorial bodies of territorial troops of the city of republican significance, capital by office premises, vehicles, technical means of information, telecommunications and communications, furniture and barracks equipment, including their maintenance, maintenance and repair, purchase of fuels and lubricants, office supplies, as well as utility bills, electricity, heating and communication services, the creation of stocks of material and technical means in accordance with the standard requirements of wartime during the special deployment of territorial troops, the conduct of fees with military units of territorial defense;

measures within the framework of the performance of military duty to provide the military command bodies of the city of republican significance, the capital with equipped conscription (assembly) points, their maintenance, supply of medicines, tools, fire-fighting, medical and economic property, road transport, as well as communications and security equipment, provision of medical and technical workers, service personnel and the creation of medical commissions;

prevention and elimination of local natural and man-made emergencies and their consequences;

civil defense measures of the city of republican significance, the capital;

3) public order, security, penal system:

protection of public order and ensuring public safety in the territory of the city of republican significance, the capital;

functioning of temporary detention facilities, special receivers for individuals subjected to administrative arrest, receivers-distributors for individuals without a fixed abode and documents, kennels for service animals;

escort by internal affairs bodies;

activities on citizenship, emigration and immigration, work with foreigners and combating illegal migration;

ensuring the activities of the authorized body for ensuring road safety, with the exception of financing payments for the manufacture of state license plates, driver's license forms and forms of certificates of state registration of vehicles;

maintenance, maintenance and repair of office premises and vehicles, including the purchase of fuels and lubricants, as well as the cost of paying for utilities, electricity, heating and communication services of the territorial internal affairs bodies, with the exception of the cost of e-mail services, a video conference system and video surveillance of the situational center of the territorial bodies funded from the republican budget;

provision and maintenance of the probation service;

4) education:

pre-school education and training;

organization and provision of compulsory general secondary education, including evening (shift) education, including provided through boarding organizations;

education of children in special general education curricula;

education of gifted children in specialized educational organizations;

holding school olympiads on the scale of a city of republican significance, the capital;

training of specialists with technical and professional, post-secondary education;

training of specialists with higher and postgraduate education, with the exception of those financed from the republican budget;

a survey of the mental health of children and adolescents and the provision of psychological, medical and pedagogical advice to the population;

rehabilitation and social adaptation of children and adolescents with developmental problems;

additional education for children;

acquisition and delivery of textbooks and teaching and methodological complexes for state educational organizations;

state provision of orphans, children left without parental care, their compulsory employment and housing;

free and preferential meals for certain categories of students and pupils;

functioning of juvenile adaptation centers;

5) healthcare:

additional provision of a guaranteed amount of free medical care by decision of the local representative body of the city of republican significance, the capital;

acquisition and storage of vaccines, immunobiological and other medicines in accordance with the legislation of the Republic of Kazakhstan;

provision of a guaranteed amount of free medical care, except for areas of expenses financed from the republican budget;

provision of medical care to persons held in pre-trial detention centers of the penitentiary (penitentiary) system and institutions of the penitentiary (penitentiary) system;

other measures in the field of health care, with the exception of areas financed from the republican budget and the social health insurance fund;

6) social assistance and social security:

housing assistance;

providing social assistance to citizens in need at home;

social adaptation of individuals without a certain place of residence;

social security for orphans, children left without parental care;

social security for the elderly and individuals with disabilities, including children with disabilities;

ensuring employment of the population and the implementation of measures to promote employment of the population;

state targeted social assistance;

social assistance to certain categories of citizens in need according to the decisions of local representative bodies;

implementation of migration measures at the local level;

providing special social services to victims of domestic violence;

7) culture, sports, tourism and information space:

supporting theatrical and musical arts of local importance;

ensuring the preservation of historical and cultural heritage of local importance and access to it;

support of cultural and leisure work;

conducting socially significant events of local importance in the field of culture;

ensuring the functioning of zoos and arboretums;

holding sports competitions at the local level;

preparation and participation of members of national teams of the city of republican significance, the capital in various sports at republican and international sports competitions;

functioning of state city sports organizations;

implementation of per capita regulatory financing of creative circles and sports sections;

ensuring the safety of objects of the archival fund of local importance;

ensuring the functioning of city libraries;

implementation of public information policy at the local level through the media;

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

carrying out activities within the framework of the implementation of state youth policy at the level of the city of republican significance, the capital;

regulation of tourism activities at the local level;

design, construction and maintenance of engineering infrastructure (roads, bridges, power lines and other communications) to tourism facilities located in specially protected natural areas of national and local significance, as well as to tourism facilities and tourist accommodations located outside populated areas;

8) agriculture, water, forestry, fisheries, specially protected natural areas, environmental and wildlife protection, land relations:

subsidizing the agro-industrial complex in accordance with the Laws of the Republic of Kazakhstan;

regulation of veterinary medicine, organization of sanitary slaughter of sick animals, construction of cattle burial grounds (biothermal pits) and ensuring their maintenance;

protection, reforestation and afforestation;

construction, reconstruction and repair of water pipelines of the city of republican significance, the capital, which shall be in communal ownership;

establishment of water protection zones, bands and sanitary protection zones for drinking supply sources;

restoration of especially emergency water facilities and irrigation and reclamation systems of the city of republican significance, the capital;

construction and reconstruction of water supply systems, hydraulic structures of the city of republican significance, the capital;

maintenance and protection of specially protected natural areas of local importance;

implementation of environmental protection measures in accordance with the Environmental Code of the Republic of Kazakhstan;

regulation of land relations in the city of republican significance, the capital;

land and economic structure of settlements;

compensation of losses caused to owners of land plots or land users, in cases established by the land legislation of the Republic of Kazakhstan;

9) housing and communal services, architectural, town planning and construction activities:

organization of the preservation of the state housing stock of the city of republican significance, the capital;

inventory of housing stock;

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

seizure, including through redemption, of land plots for state needs and the associated alienation of real estate in accordance with the Laws of the Republic of Kazakhstan;

creation and reconstruction of water supply facilities, including distribution networks of water supply, treatment, drainage systems, sewer, including sewer pumping stations, heating and electric networks owned by utilities;

gasification of settlements;

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

construction of housing of communal housing stock;

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

ensuring road safety in settlements;

organization of architectural, town planning and construction activities, with the exception of expenses financed from the republican budget;

subsidies in the field of housing and communal services, architectural, town planning and construction activities in accordance with the Laws of the Republic of Kazakhstan;

10) industry, fuel and energy complex and subsoil use:

implementation of energy saving and energy efficiency measures at the local level;

subsidizing part of the interest rate on loans within the framework of national projects in accordance with the laws of the Republic of Kazakhstan;

11) transport and communications:

organization of passenger transportation by socially significant urban and suburban communications;

construction, reconstruction, repair and maintenance of city streets, including the current repair of roads, as well as technical means of traffic regulation on them;

12) regulation of economic activity:

government support for private enterprise;

government incentives for industry;

state support for innovation;

state support for social entrepreneurship;

13) fulfillment of state obligations:

servicing and repayment of debt of local executive bodies;

fulfillment of obligations under state guarantees;

fulfillment of public obligations under projects of public-private partnership of the local executive body;

fulfillment of obligations under state guarantees;

reimbursement of expenses under the contract of trust management of communal property

;

fulfillment of state obligations under turnkey construction contracts;

14) transfers:

transfers to the republican budget.

2. From the budgets of cities of republican significance, the capital, expenses shall be also financed in the areas specified in paragraph 1 of this Article, for:

1) capital expenditures, retraining and advanced training of employees of local executive bodies, state organizations and state institutions;

2) budget investments, scientific research of local executive bodies;

3) other public services, functions, powers and competencies of local government bodies of the city of republican significance, the capital, established in accordance with the Laws of the Republic of Kazakhstan.

3. The budget of the city of republican significance, the capital shall provide for the expenses of the district in the city in the following areas:

- 1) the functioning of the akim's office in the city;
- 2) household accounting;
- 3) organization in emergency cases of delivery of seriously ill people to the nearest health organization providing medical care;
- 4) providing social assistance to citizens in need at home;
- 5) provision of sanitation of settlements;
- 6) maintenance of burial places and burial of rootless;
- 7) street lighting in settlements;
- 8) improvement and landscaping of settlements;
- 9) implementation of other services in the field of social assistance and social security, including the placement of a state social order;
- 10) social assistance and social security;
- 11) housing assistance;
- 12) social adaptation of individuals without a certain place of residence;
- 13) social security for orphans, children left without parental care;
- 14) social security for the elderly and individuals with disabilities, including children with disabilities;
- 15) ensuring employment of the population;
- 16) state targeted social assistance;
- 17) social assistance to certain categories of citizens in need according to the decisions of local representative bodies;
- 18) implementation of migration measures at the local level;
- 19) preschool education and training, including ensuring the activities of organizations of preschool education and training;
- 20) design, construction, reconstruction, overhaul and modernization of distribution networks of water supply, sewerage, sewage pumping stations, gas supply and lighting owned by utilities;
- 21) current repair of roads;
- 22) inventory of housing stock;
- 23) implementation of per capita regulatory financing of creative circles and sports sections.

Footnote. Article 31, as amended by the Laws of the Republic of Kazakhstan dated 26.06.2025 № 198-VIII (shall come into effect upon expiry of ten calendar days after the day of its first official publication); dated 30.06.2025 № 202-VIII (shall come into effect upon expiry of sixty calendar days after the day of its first official publication); dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).

## **Article 32. Regional budget revenues**

1. Regional budget revenues shall be carried out in the following areas:

1) government functions of a general nature:

functioning of local representative and executive bodies of the regional level, audit commissions;

ensuring and holding elections of akims;

2) defense:

mobilization preparation and mobilization, preparation of territorial defense and territorial defense on a regional scale, including provision of territorial bodies of the regional territorial troops with office premises, buildings, structures, vehicles, technical means of information, telecommunications and communications, furniture and barracks equipment, including their maintenance, service and repair, acquisition of fuel and lubricants, office supplies, as well as costs for payment of utilities, electricity, heating and communications services, creation of reserves of material and technical resources in accordance with the standards of regular wartime requirements, conducting special deployment of territorial troops of the Armed Forces of the Republic of Kazakhstan, conducting military training with military personnel of units of territorial troops of the Armed Forces of the Republic of Kazakhstan;

regional civil defense measures;

measures within the framework of the performance of military duty to provide regional military command bodies with equipped conscription (assembly) points, their maintenance, supply of medicines, tools, fire-fighting, medical and economic property, road transport, as well as communications and security equipment, provision of medical and technical workers, service personnel and the creation of medical commissions;

prevention and elimination of natural and man-made emergencies of a regional scale and their consequences;

3) public order, security, penal system:

protection of public order and ensuring public safety in the region;

escort by internal affairs bodies;

activities on citizenship, emigration and immigration, work with foreigners and combating illegal migration;

functioning of temporary detention facilities, special receivers for persons subjected to administrative arrest, receivers-distributors for persons without a fixed abode and documents, kennels for service animals;



ensuring the activities of the authorized body for ensuring road safety, with the exception of financing payments for the manufacture of state license plates, driver's license forms and forms of certificates of state registration of vehicles;

maintenance and repair of office premises and vehicles, including the purchase of fuels and lubricants, as well as the cost of paying for utilities, electricity, heating and communication services of the territorial internal affairs bodies, with the exception of the cost of e-mail services, a video conference system and video surveillance of the situational center of the territorial bodies funded from the republican budget;

provision and maintenance of the probation service;

4) education:

preschool education and training in districts (cities of regional significance), cities of regional significance, villages, towns, rural districts, including the organization of medical services in organizations of preschool education and training located in cities of regional significance, villages, towns, rural districts, as well as ensuring the activities of organizations of preschool education and training located in the districts of cities of regional significance;

primary, basic secondary and general secondary education, including evening (shift) education, and general secondary education provided through boarding organizations in state educational organizations located in districts (cities of regional significance);

organization of free transportation of students to the nearest school and back in rural areas ;

free and preferential meals for certain categories of students and pupils of educational organizations located in regions, districts (cities of regional significance), in the manner prescribed by the legislation of the Republic of Kazakhstan;

acquisition and delivery of textbooks and teaching and methodological complexes for state educational organizations;

additional education for children, carried out at the regional, district (cities of regional significance) levels;

training of specialists with technical and professional, post-secondary education;

training of specialists with higher and postgraduate education, with the exception of those financed from the republican budget;

education of children in special general education curricula;

education of gifted children in specialized educational organizations;

holding school olympiads of regional, district (city of regional significance) scale;

a survey of the mental health of children and adolescents and the provision of psychological, medical and pedagogical advice to the population;

rehabilitation and social adaptation of children and adolescents with developmental problems;

state provision of orphans, children left without parental care, their compulsory employment and housing;

methodological work;

functioning of juvenile adaptation centers;

5) healthcare:

additional provision of a guaranteed amount of free medical care by decision of local representative bodies of the regions;

acquisition and storage of vaccines, immunobiological and other medicines in accordance with the legislation of the Republic of Kazakhstan;

provision of a guaranteed amount of free medical care, except for areas of expenses financed from the republican budget;

provision of medical care to individuals held in pre-trial detention centers of the penitentiary (penitentiary) system and institutions of the penitentiary (penitentiary) system;

other measures in the field of health care, with the exception of areas financed from the republican budget and the social health insurance fund;

6) social assistance and social security:

implementation of state policy in the field of social protection;

social security for orphans, children left without parental care;

social security for the elderly and individuals with disabilities, including children with disabilities, with the exception of types of social assistance financed from the district (city of regional significance) budget;

ensuring employment of the population;

implementation of migration measures at the local level;

7) culture, sports, tourism and information space:

supporting theatrical and musical arts of local importance;

support of cultural and leisure work;

conducting socially significant events of local importance in the field of culture;

ensuring the preservation of historical and cultural heritage of local importance and access to it;

preparation and participation of members of regional national teams in various sports at national and international sports competitions;

holding sports competitions at the regional level;

functioning of state regional sports organizations;

ensuring the safety of objects of the archival fund of local importance;

ensuring the functioning of regional libraries;

implementation of public information policy at the local level through the media;

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

carrying out activities within the framework of the implementation of state youth policy at the regional level;

regulation of tourism activities at the local level;

implementation of per capita regulatory financing of creative circles and sports sections;  
design, construction and maintenance of engineering infrastructure facilities (roads, bridges, power lines and other communications) to tourism facilities located in specially protected natural areas of national and local significance, as well as to tourism facilities and tourist accommodations located outside populated areas;

8) agriculture, water, forestry, fisheries, specially protected natural areas, environmental and wildlife protection, land relations:

regulation of the development of crop production, seed production, animal husbandry, veterinary medicine, processing and sale of agricultural products at the regional level in accordance with the Laws of the Republic of Kazakhstan;

organization of sanitary slaughter of sick animals;

maintenance, construction and repair of special storages (burial grounds);

neutralization of pesticides purchased at the expense of budgetary funds;

subsidizing the agro-industrial complex in accordance with the Laws of the Republic of Kazakhstan;

ensuring the functioning of municipal water facilities of regional significance;

establishment of water protection zones, bands of water bodies of regional significance;

restoration of especially emergency water facilities and irrigation and reclamation systems of regional significance;

construction and reconstruction of water supply systems, hydraulic structures of regional significance;

protection, reforestation and afforestation;

maintenance and protection of specially protected natural areas of regional significance;

implementation of environmental protection measures in accordance with the Environmental Code of the Republic of Kazakhstan;

regulation of land relations at the regional level;

compensation of losses caused to owners of land plots or land users, in cases established by the land legislation of the Republic of Kazakhstan;

taking measures to disseminate and introduce innovative experience of regional significance;

reimbursement to owners of the cost of neutralized (disinfected) and processed animals, products and raw materials of animal origin that pose a danger to animal and human health;

9) housing and communal services, architectural, town planning and construction activities:

gasification of settlements;

preventive disinsection and deratization;

organization of architectural, town planning and construction activities, with the exception of expenses financed from the republican budget;

subsidies in the field of housing and communal services, architectural, town planning and construction activities in accordance with the Laws of the Republic of Kazakhstan;

10) industry, fuel and energy complex and subsoil use:

implementation of energy saving and energy efficiency measures at the regional level;

subsidizing part of the interest rate on loans within the framework of national projects in accordance with the laws of the Republic of Kazakhstan;

11) transport and communications:

organization of passenger transportation by socially significant inter district (intercity, intraregional), as well as suburban railway communications;

construction, reconstruction, repair and maintenance of roads of regional significance, including the current repair of roads, as well as technical means of traffic regulation on them;

12) regulation of economic activity:

government support for private enterprise;

government incentives for industry;

state support for innovation;

state support for social entrepreneurship;

13) fulfillment of state obligations:

servicing and repayment of debt of local executive bodies;

fulfillment of obligations under state guarantees;

fulfillment of public obligations under projects of public-private partnership of the local executive body;

fulfillment of obligations under state guarantees;

reimbursement of expenses under the contract of trust management of communal property

;

fulfillment of state obligations under turnkey construction contracts;

14) transfers:

transfers to regional (cities of regional significance) budgets;

transfers to the republican budget.

2. The regional budgets also finance expenditures in the areas specified in paragraph 1 of this Article, for:

1) capital expenditures, retraining and advanced training of employees of local executive bodies, state organizations and state institutions;

2) budget investments, scientific research of local executive bodies;

3) other public services, functions, powers and competencies of regional bodies of local public administration established in accordance with the Laws of the Republic of Kazakhstan.

**Footnote. Article 32, as amended by the Laws of the Republic of Kazakhstan dated 26.06.2025 № 198-VIII (shall come into effect upon expiry of ten calendar days after the day of its first official publication); dated 30.06.2025 № 202-VIII (shall come into effect upon expiry of sixty calendar days after the day of its first official publication); dated 17.07.2025**

№ 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).

**Article 33. Expenses of the district (city of regional significance) budget**

1. Expenditures of the district (city of regional significance) budget shall be carried out in the following areas:

1) government functions of a general nature:

functioning of local representative and executive bodies of the district (city of regional significance) level;

2) defense:

measures within the framework of the performance of military duty to provide district (city of regional significance) military command bodies with equipped conscription (assembly) points, their maintenance, supply of medicines, tools, fire-fighting, medical and economic property, road transport, as well as communications and security equipment, provision of medical and technical workers, service personnel and the creation of medical commissions;

prevention and elimination of natural and man-made emergencies of regional (city of regional significance) scale and their consequences;

ensuring measures to prevent and extinguish steppe fires of regional (city of regional significance) scale, as well as fires in settlements in which state fire service bodies have not been created;

3) public order, security:

ensuring road safety in settlements;

4) education:

state provision of orphans, children left without parental care, their compulsory employment and housing;

5) social assistance and social security:

implementation of state policy in the field of social protection;

housing assistance;

material support for children with disabilities brought up and educated at home;

provision of individuals with disabilities in accordance with the individual habilitation and rehabilitation program of an individual with a disability with compulsory hygienic means, provision of an individual assistant for individuals with disabilities of the first group with difficulty in movement, sign language specialists for individuals with hearing disabilities;

providing social assistance to citizens in need at home;

social adaptation of individuals without a certain place of residence;

implementation of measures to promote employment;

state targeted social assistance;

social assistance to certain categories of citizens in need according to the decisions of local representative bodies;

providing special social services to victims of domestic violence;

6) culture, sports, tourism and information space:  
support for cultural and leisure work at the local level;  
functioning of district (city) libraries;  
ensuring the functioning of zoos and arboretums;  
development of mass sports and national sports;  
holding sports competitions at the district (city of regional significance) level;  
preparation and participation of members of the national teams of the region (cities of regional significance) in various sports at regional sports competitions;  
functioning of state district (cities of regional significance) sports organizations;  
implementation of public information policy at the local level through the media;  
development of the state language and other languages of the people of Kazakhstan at the district (city of regional significance) level;  
carrying out activities within the framework of the implementation of state youth policy at the district (city of regional significance) level;  
implementation of per capita regulatory financing of creative circles and sports sections;

7) agriculture, water, forestry, fisheries, specially protected natural areas, environmental and wildlife protection, land relations:  
regulation of land relations at the district (city of regional significance) level;  
implementation of measures to preserve and improve pastures, development and reconstruction of pasture infrastructure facilities, with the exception of measures financed from the budget of the city of regional significance, village, settlement, rural district;

8) housing and communal services, architectural, town planning and construction activities:  
preventive disinsection and deratization;  
measures to protect district (city of regional significance) communal property;  
organization of preservation of the state housing stock of the district (cities of regional significance);  
inventory of housing stock;  
providing housing for certain categories of citizens in accordance with the legislative acts of the Republic of Kazakhstan;  
seizure, including through redemption, of land plots for state needs and the associated alienation of real estate in accordance with the Laws of the Republic of Kazakhstan;  
demolition of emergency housing in accordance with the legislative acts of the Republic of Kazakhstan;  
development of the master plan;  
construction of housing of communal housing stock;  
measures aimed at maintaining seismic resistance of residential buildings located in earthquake-prone regions of the republic, in accordance with the legislative acts of the Republic of Kazakhstan;

- creation, reconstruction and repair of water supply facilities, treatment, drainage systems, sewage, heat and electric networks owned by utilities;
- provision of improvement, landscaping, lighting and sanitation of settlements;
- maintenance of burial sites and burial of rootless;
- subsidizing part of the interest rate on loans within the framework of national projects in accordance with the laws of the Republic of Kazakhstan;
- 9) industry, fuel and energy complex and subsoil use:
  - taking measures to save energy and improve energy efficiency at the district (city of regional significance) level;
  - subsidizing part of the interest rate on loans within the framework of national projects in accordance with the laws of the Republic of Kazakhstan;
- 10) transport and communications:
  - construction, reconstruction, repair and maintenance of roads of regional (urban) significance, as well as technical means of traffic regulation on them;
  - organization of passenger transportation by socially significant urban (rural), suburban and intra-district communications, with the exception of rail;
- 11) regulation of economic activity:
  - government support for private enterprise;
  - state support for social entrepreneurship;
- 12) fulfillment of state obligations:
  - servicing and repayment of debt of local executive bodies;
  - fulfillment of obligations under state guarantees;
  - fulfillment of state obligations under public-private partnership projects adopted by the maslikhat of the relevant region;
  - fulfillment of obligations under state guarantees;
  - reimbursement of revenues under the contract of trust management of communal property
- ;
- fulfillment of state obligations under turnkey construction contracts;
- 13) transfers:
  - transfers to the regional budget;
  - transfers to the budgets of the city of district significance, village, settlement, rural district
- .
- 2. From the district (city of regional significance) budget, expenses shall be also financed in the areas specified in paragraph 1 of this Article, for:
  - 1) capital expenditures, retraining and advanced training of employees of local executive bodies, state organizations and state institutions;
  - 2) budget investments;

3) other public services, functions, powers and competencies of local government bodies of the region (city of regional significance) established in accordance with the Laws of the Republic of Kazakhstan.

3. The budget of the city of regional significance shall provide for the expenses of the district in the city of regional significance in the following areas:

- 1) functioning of the akim's office in the city of regional significance;
- 2) household accounting;
- 3) organization in emergency cases of delivery of seriously ill people to the nearest health organization providing medical care;
- 4) providing social assistance to citizens in need at home;
- 5) organization of cultural and educational events together with public associations of individuals with disabilities;
- 6) creation of conditions for the development of physical culture and sports at the place of residence of individuals and in places of their mass recreation;
- 7) organization, together with the authorized body for physical culture and sports and public associations of individuals with disabilities, of health and sports events among individuals with disabilities;
- 8) provision of sanitation of settlements;
- 9) maintenance of burial places and burial of rootless;
- 10) street lighting in settlements;
- 11) improvement and landscaping of settlements;
- 12) other state services, functions, competencies and powers of the akim of the district in the city of regional significance established in accordance with the Laws of the Republic of Kazakhstan.

**Footnote. Article 33 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

**Article 34. Expenditures of the budget of the city of regional significance, village, settlement, rural district**

1. The budget expenditures of the city of regional significance, village, settlement, rural district shall be carried out in the following areas:

- 1) the functioning of the apparatus of the akim of the city of regional significance, village, settlement, rural district;
- 2) household accounting;
- 3) organization in emergency cases of delivery of seriously ill people to the nearest health organization providing medical care;
- 4) providing social assistance to citizens in need at home;
- 5) organization of preservation of the state housing stock of the city of regional significance, village, settlement, rural district;



- 6) provision of sanitation of settlements;
  - 7) maintenance of burial places and burial of rootless;
  - 8) street lighting in settlements;
  - 9) improvement and landscaping of settlements;
  - 10) support for cultural and leisure work at the local level;
  - 11) construction, reconstruction, repair and maintenance of roads in cities of regional significance, villages, towns;
  - 12) organization of water supply to settlements;
  - 13) ensuring employment of the population at the local level;
  - 14) holding fitness and sports events at the local level;
  - 15) implementation of measures to solve the arrangement of rural settlements;
  - 16) organization of activities for registration of acts of civil status in villages, settlements and rural districts where there shall be no bodies carrying out registration of acts of civil status;
  - 17) implementation of measures to preserve and improve pastures, development and reconstruction of pasture infrastructure facilities, with the exception of measures financed from the district (city of regional significance) budget;
  - 18) transfers to the district (cities of regional significance) budget;
  - 19) servicing and repayment of debt of local executive bodies.
2. From the budget of the city of district significance, village, settlement, rural district, expenses are also financed in the areas specified in paragraph 1 of this Article, for:
- 1) capital expenditures, retraining of personnel and advanced training of employees of the akim of the city of regional significance, village, settlement, rural district, state organizations and state institutions;
  - 2) budget investments;
  - 3) other state services, functions, competencies and powers of akims and local self-government bodies of the city of regional significance, village, settlement, rural district, established in accordance with the Laws of the Republic of Kazakhstan.

## **SECTION 2. FUNDAMENTALS OF BUDGETING OF THE REPUBLIC OF KAZAKHSTAN**

### **Chapter 8. DOCUMENTS OF THE STATE PLANNING SYSTEM OF THE REPUBLIC OF KAZAKHSTAN FOR THE PURPOSES OF THIS CODE**

#### **Article 35. General provisions on documents of the State Planning System of the Republic of Kazakhstan used in the budget process**

1. Documents of the State Planning System of the Republic of Kazakhstan are an integral system, where the need and legality of the development of documents of a lower-level follow from the documents that shall be at the higher level, and monitoring and assessment of documents at the higher level shall be carried out on the basis of reliable information on the implementation of documents of lower levels.

The documents of the State Planning System of the Republic of Kazakhstan shall be based on the long-term development forecast of the Republic of Kazakhstan.

2. The budget process shall use:

plans for the development of state bodies;

plans for the development of the region, cities of republican significance, the capital;

development plans, action plans of subjects of the quasi-public sector, as well as long-term development strategies for autonomous educational organizations that plan expenditures from the republican or local budget.

3. Expenses for new initiatives provided for by the documents of the State Planning System of the Republic of Kazakhstan, and other additional measures arising during the current financial year, requiring additional expenses from the republican and (or) local budgets, are planned in the budget after inclusion in the development plan of the state body developing a development plan of the region, city of republican significance, capital, development plans and (or) action plans of entities of the quasi-public sector.

4. The central authorized body for state planning, the local executive body of the region, cities of republican significance, the capital, the state body - the administrator of the republican budget program, the local authorized body for state planning, respectively, ensure consideration of draft plans for the development of state bodies, draft plans for the development of regions, cities of republican significance, the capital, draft development plans and (or) draft action plans of entities of the quasi-public sector, taking into account the procedures provided for by this Code.

### **Article 36. Development plan of the state body and the procedure for its consideration**

1. The development plan of a state body shall be a document defining the activities of the central state body in the medium term, aimed at implementing the higher documents of the State Planning System of the Republic of Kazakhstan, functions, powers and competencies, taking into account the need to ensure the quality of public services.

2. The list of central state bodies that shall not develop development plans shall be established by the Government of the Republic of Kazakhstan within the framework of the State Planning System of the Republic of Kazakhstan.

3. The development plan of the state body shall be developed and approved every three years for a five-year period in agreement with the central authorized body for state planning in accordance with the State Planning System of the Republic of Kazakhstan.

4. The development plan of the state body shall include:

1) target indicators, the achievement of which shall be ensured by a state body and shall depend on its activities and budgetary funds;

2) target indicators, the achievement of which shall be ensured within the framework of interdepartmental interaction by several state bodies, regions and (or) subjects of the quasi-public sector and shall depend on budgetary funds;

3) macro indicators, the achievement of which shall depend on the activities of several state bodies, regions and (or) entities of the quasi-public sector within the framework of interdepartmental interaction and shall not depend on budget funds.

Target indicators specified in subparagraphs 1), 2) and 3) of the first part of this paragraph shall be reflected in the development plan in the form of separate Annexes

5. Investment plans developed on the basis of the documents of the State Planning System of the Republic of Kazakhstan shall be attached to the development plans of state bodies.

The investment plan of the state body shall be developed and applied in accordance with Article 148 of this Code.

6. To approve the development plan, the state body shall submit a draft development plan that shall have a positive proposal from the departmental budget commission for consideration by the central authorized body for state planning no later than April 1 of the year of completion of the current development plan of the state body.

The central authorized body for state planning, taking into account the results of the assessment of the results carried out in accordance with Article 46 of this Code, shall consider draft plans for the development of state bodies for their compliance with the requirements established by the legislation of the Republic of Kazakhstan.

The conclusion of the central authorized body for state planning is formed with an indication of the priority of goals and target indicators on the basis of the results of the strategic review of revenues carried out in accordance with Article 43 of this Code, and shall be sent no later than May 1 of the current fiscal year to the central authorized body for budget planning for submission to the Republican Budget Commission and administrators of the relevant budget programs.

The revised draft plan for the development of a state body shall be submitted by the administrator of the budget program to the central authorized body for state planning simultaneously with the passport of the budget program for consideration in accordance with paragraph 12 of Article 75 of this Code.

7. The draft development plan of a state body shall be approved by the head of the state body in agreement with the central authorized bodies for state planning and budget planning no later than December 30 of the year of completion of the current development plan of the state body.

8. The central authorized body for state planning shall generate aggregated summary information on approved development plans of state bodies, containing summary quantitative information on goals and target indicators, their decomposition in the manner determined by it, and send it to the central authorized body for budget planning for inclusion in the documents and materials provided for in Article 90 of this Code.

9. Introduction of amendments and additions to the development plan of a state body shall be allowed in the following cases:

1) adoption of new or amendments and (or) additions to the Laws of the Republic of Kazakhstan, with the exception of Laws on the republican budget and Laws on amendments and additions to the Rules;

2) adoption of new or amendments and (or) additions to the documents of the State Planning System of the Republic of Kazakhstan;

3) amendments in the functions, structure of the state body;

4) the need to implement the instructions of the President of the Republic of Kazakhstan and (or) the Government of the Republic of Kazakhstan.

10. State bodies prepare reports on the implementation of development plans, send them to the central authorized body for state planning for consolidation.

11. The central authorized body for state planning forms a consolidated report on the implementation of development plans of all central state bodies, containing summary quantitative information on the achievement of goals and target indicators, their decomposition in the manner determined by it, and shall send it to the central authorized body for budget execution for inclusion in the annual report on the execution of the republican budget.

12. On the basis of reports on the implementation of development plans of state bodies, their assessment shall be carried out in accordance with Article 46 of this Code.

The assessment carried out by the bodies of external state audit and financial control shall be carried out in accordance with the Law of the Republic of Kazakhstan "On state audit and financial control."

13. The procedure for the development, coordination, approval, publication of a development plan of a state body and introducing amendments and (or) additions to it, drawing up a report on the implementation of a development plan of a state body and monitoring the implementation of a development plan of a state body shall be determined by the central authorized body for state planning.

14. The development plan of a state body and its implementation report, aggregated summary information on approved development plans of state bodies, consolidated report on the implementation of development plans of state bodies shall be subject to publication in accordance with Article 40 of this Code.

15. The first head of the state body developing the development plan shall bear the responsibility established by the Laws of the Republic of Kazakhstan in accordance with Article 41 of this Code.

### **Article 37. Plan for the development of the region, cities of republican significance, the capital and the procedure for its consideration**

1. The development plan of the region, the city of republican significance, the capital shall be a document determining the development of the corresponding region, the city of republican significance, the capital, taking into account their specifics on the basis of documents of the State Planning System of the Republic of Kazakhstan.

2. The development plan of the region, the city of republican significance, the capital shall include information on events indicating the amount of income, not included in the income of the local budget, and expenses according to memoranda, concluded between the regional akimat, akimat of the city of republican significance, the capital and subsoil users as part of the fulfillment of obligations to allocate subsoil users for the socio-economic development of the region and the development of its infrastructure in accordance with subsoil use contracts, including work performed by the subsoil user and services rendered.

3. The goals and target indicators of the development plan of the region, the city of republican significance, the capital shall be decomposed from the higher documents of the State Planning System of the Republic of Kazakhstan.

4. The development plan of the region, the city of republican significance, the capital shall include:

1) target indicators, the achievement of which shall be ensured by the local executive body and shall depend on its activities and budgetary funds;

2) target indicators, the achievement of which shall be ensured within the framework of interdepartmental interaction by several regions and (or) entities of the quasi-public sector and shall depend on budgetary funds;

3) macro indicators, the achievement of which shall depend on the activities of several regions and (or) entities of the quasi-public sector within the framework of interdepartmental interaction and shall not depend on budget funds.

Target indicators specified in subparagraphs 1), 2) and 3) of part one of this paragraph shall be reflected in the development plan in the form of separate Annexes.

5. Investment plans developed on the basis of documents of the State Planning System of the Republic of Kazakhstan shall be attached to the development plans of regions, cities of republican significance, the capital.

The investment plan of the region, the city of republican significance, the capital shall be developed and applied in accordance with Article 148 of this Code.

6. The development plan of the region, the city of republican significance, the capital shall be developed by the local executive body of the region, the city of republican significance, the capital with the mandatory application of minimum standards, the system of regional standards for settlements every three years for a five-year period, agreed with the central sectoral state bodies, the central authorized body for regional policy and approved by the relevant maslikhat in accordance with the State Planning System of the Republic of Kazakhstan.

7. To coordinate the development plan of the region, the city of republican significance, the capital, the local executive body of the region, the city of republican significance, the capital shall submit a draft development plan agreed with the central sectoral state bodies for consideration to the central authorized body for regional policy no later than April 1 of the year of completion of the current development plan of the state body.

The central authorized body for regional policy shall consider draft plans for the development of the region, the city of republican significance, the capital for their compliance with the requirements established by the legislation of the Republic of Kazakhstan.

The central authorized body for regional policy, based on the results of consideration of the draft plan for the development of the region, the city of republican significance, the capital, within a month after the receipt of the draft plan for the development of the region, the city of republican significance, the capital, shall draw up a conclusion and shall send it to the local executive body of the region, the city of republican significance, the capital.

Local executive body of the region, cities of republican significance, the capital, taking into account the conclusion of the central authorized body for regional policy, the outcome of the evaluation of the results carried out in accordance with the Article 46 of this Code, the outcome of the strategic review of expenditures under Article 43 of this Code, shall form a plan for the development of the region, cities of republican significance, the capital and aggregated summary information on the approved plan for the development of the region, cities of republican significance, capitals for inclusion in the relevant maslikhat as part of the documents and materials specified in paragraph 2 of Article 91 of this Code.

8. The draft plan for the development of the region, the city of republican significance, the capital shall be approved no later than December 30 of the year of completion of the current development plan.

9. Introduction of amendments and additions to the development plan of the region, city of republican significance, capital shall be allowed in the following cases:

1) adoption of new or introduction of amendments and (or) additions to the Laws of the Republic of Kazakhstan, with the exception of Laws on the republican budget and Laws on introduction of amendments and additions to the Rules;

2) adoption of new or introduction of amendments and (or) additions to the documents of the State Planning System of the Republic of Kazakhstan;

3) introduction of amendments in the functions, structure of the state body and (or) amendments in the administrative-territorial structure;

4) the need to implement the instructions of the President of the Republic of Kazakhstan and (or) the Government of the Republic of Kazakhstan.

10. Monitoring of the implementation of the development plan of the region, the city of republican significance, the capital shall be carried out, respectively, by the local authorized body for state planning of the region, the city of republican significance, the capital together with state bodies - co-executors of the corresponding territory by generating implementation reports based on information on the progress of implementation provided by state bodies - co-executors participating in the development plan of the region, the city of republican significance, the capital.

Monitoring of the implementation of the development plan of the region, the city of republican significance, the capital shall be carried out once a year at the end of the year and

shall be posted on the Internet resource of the regional akimat, akimat of the city of republican significance and the capital until March 1 of the year following the reporting period.

11. Local executive bodies of regions, cities of republican significance, the capital prepare reports on the implementation of development plans in the manner determined by the State Planning System of the Republic of Kazakhstan, and shall send them to the central authorized body for regional policy for consolidation.

12. On the basis of reports on the implementation of plans for the development of regions, cities of republican significance, the capital, their assessment shall be carried out in accordance with Article 46 of this Code.

The assessment carried out by the bodies of external state audit and financial control shall be carried out in accordance with the Law of the Republic of Kazakhstan "On state audit and financial control."

13. The procedure for drawing up a report on the implementation of the plan for the development of the region, the city of republican significance, the capital and monitoring the implementation of the plan for the development of the region, the city of republican significance, the capital shall be determined by the central authorized body for state planning.

14. The plan for the development of the region, the city of republican significance, the capital, the report on its implementation and the consolidated report on the implementation of plans for the development of regions, cities of republican significance, the capital shall be subject to publication in accordance with Article 40 of this Code.

15. Akim of the region, cities of republican significance, the capital and the first head of the relevant local state body bear responsibility established by the Laws of the Republic of Kazakhstan, in accordance with Article 41 of this Code.

**Article 38. Development plans, action plans of entities of the quasi-public sector, as well as long-term development strategies of autonomous educational organizations that plan expenses from the republican or local budget, and the procedure for their consideration**

1. The budget process shall involve action plans, development plans for subjects of the quasi-public sector, as well as long-term development strategies for autonomous educational organizations that plan expenditures from the republican or local budget, developed in accordance with the legislation of the Republic of Kazakhstan.

2. Draft action plans or development plans of entities of the quasi-public sector, which shall be planning expenses from the republican budget, shall be developed on the basis of the results of the strategic review of expenditures conducted in accordance with Article 43 of this Code, shall be agreed with the state body - the administrator of the republican budget program and entered into the central authorized body for budget planning as part of the documents specified in subparagraph 16) of paragraph 2 of Article 90 of this Code.

3. Draft action plans or development plans of entities of the quasi-public sector, which plan expenses from the local budget, shall be agreed with the state body - the administrator of

the local budget program and shall be submitted to the local authorized body for state planning as part of the documents specified in subparagraph 10) of paragraph 2 of Article 91 of this Code.

4. Based on the results of each fiscal year, a report shall be generated on the implementation of action plans or development plans of entities of the quasi-public sector, a report on the results of monitoring the implementation of action plans or development plans of entities of the quasi-public sector and an assessment of the implementation of action plans or development plans of entities of the quasi-public sector specified in paragraph 1 of this Article, in the manner determined by the central authorized body for state planning.

5. Monitoring of the implementation of action plans or development plans of entities of the quasi-public sector specified in paragraph 1 of this Article, and assessment of their implementation shall be carried out in accordance with the legislation of the Republic of Kazakhstan.

The assessment carried out by the bodies of external state audit and financial control shall be carried out in accordance with the Law of the Republic of Kazakhstan "On state audit and financial control."

6. Reporting on the implementation of action plans, development plans of subjects of the quasi-public sector, as well as long-term development strategies for autonomous educational organizations specified in paragraph 1 of this Article, shall be included in the annual report on the execution of the relevant budget and shall be subject to publication in accordance with Article 40 of this Code.

7. The procedure for the development, coordination and approval of action plans or development plans for entities of the quasi-public sector, long-term strategies for the development of autonomous educational organizations, introduction of amendments to them and (or) additions, preparation of reports and their types, the procedure for monitoring and evaluating the implementation of action plans or development plans of entities of the quasi-public sector, long-term development strategies for autonomous educational organizations specified in paragraph 1 of this Article shall be determined by the legislation of the Republic of Kazakhstan.

8. The results of monitoring and assessment of the implementation of action plans or development plans of entities of the quasi-public sector, long-term development strategies of autonomous educational organizations specified in paragraph 1 of this Article shall be subject to publication in accordance with Article 40 of this Code.

9. The first heads of the subjects of the quasi-public sector, autonomous educational organizations shall bear the responsibility established by the Laws of the Republic of Kazakhstan, in accordance with Article 41 of this Code.

## **Chapter 9. ACCOUNTABILITY AND TRANSPARENCY**

### **Article 39. General provisions on accountability and transparency**



1. "Accountability" refers to accountability for budgetary policy decisions and achievement of indicators of achievement.

2. Accountability of participants in the budget process shall be implemented through a set of tools to ensure transparency and responsibility for administrative and management decisions in budget relations.

3. Transparency of the budget system means transparency and openness of budget information to the public, including the publication of the civil budget.

The civil budget shall be information disclosing the main provisions of the republican and local budgets, published in a form accessible to the public in accordance with Article 40 of this Code.

The civil budget shall be formed when planning the republican and local budgets and in the process of their execution by the central authorized body for budget planning, local authorized bodies for state planning, the central authorized body for budget execution, local authorized bodies for budget execution, administrators of budget programs, subjects of the quasi-public sector according to the received budget funds.

The procedure for the preparation, presentation and publication of the civil budget at the stages of planning and budget execution shall be determined by the central authorized body for budget planning.

4. Accountability of authorized bodies shall be carried out through the development and publication of budget documentation in accordance with this Code.

5. The participation of citizens in the budget process shall be ensured through the implementation of the budget of popular participation in accordance with the second part of paragraph 3 of Article 70 of this Code, the implementation of local self-government and other methods provided for by the legislation of the Republic of Kazakhstan.

6. Accountability of budget process participants shall include:

hearing representatives of state bodies in representative bodies when developing draft laws on the republican budget and decisions of maslikhats and based on the results of budget execution in accordance with this Code;

publication and discussion of documents in accordance with Article 40 of this Code;

responsibility of participants in the budget process in accordance with Article 41 of this Code.

#### **Article 40. Publication and discussion of documents of the budgetary process**

1. Materials, information and documents of the budgetary process shall be subject to publication by the participants specified in this Article on their official Internet resources, including without fail on the Internet portal of open budgets, in compliance with the requirements of the legislation of the Republic of Kazakhstan on access to information, state secrets, administrative procedures, public councils, informatization.

2. The documents of the budgetary process shall be discussed in representative bodies, at public councils, a meeting of the local community, the Internet portal of open budgets in

accordance with this Code, the legislation of the Republic of Kazakhstan on local public administration and self-government, the legislation of the Republic of Kazakhstan on public councils, and access to information.

3. The Central Authorized Body on Budget Policy shall ensure publication of:

long-term development forecast of the Republic of Kazakhstan;

forecast of socio-economic development of the Republic of Kazakhstan;

an analytical report on budget risks;

analytical report on tax expenses;

**Footnote. Paragraph 5 of paragraph 3 of Article 40 shall enter into force dated 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

draft law on the volume of general transfers;

a consolidated report on the implementation of state investment projects based on the results of the fiscal year and the results of the evaluation of the implementation of state investment projects;

information on the results of economic examinations of state investment projects;

a consolidated report on the use of related grants and the results of the evaluation of the use of related grants.

4. The central authorized body for budget planning shall ensure publication:

draft law on the republican budget with Annexes;

the Law on the republican budget with Annexes, the decree of the President of the Republic of Kazakhstan on the republican fiscal plan for the first quarter of the upcoming fiscal year with Annexes;

civil budget;

conclusions and recommendations from the cost review.

5. The central authorized body for state planning shall ensure the publication of:

conclusions and recommendations from the cost review;

aggregated summary information on approved development plans of state bodies;

consolidated report on the implementation of development plans of state bodies.

6. The central authorized body for regional policy shall ensure the publication of a consolidated report on the implementation of plans for the development of regions, cities of republican significance, and the capital.

7. The central authorized body on budget execution shall ensure publication of:

information on the state of public finances;

civil budget;

monthly report on the execution of consolidated, state, republican and local budgets;

annual report on the execution of the republican budget;

annual report on the formation and use of the National Fund of the Republic of Kazakhstan;

annual financial statements based on the results of trust management by the National Fund of the Republic of Kazakhstan and the results of the audit;

information in the form of statistical information on the current state of public debt, quasi-public debt, government-guaranteed debt, the amount of money paid to pay off public debt, issued state guarantees and state guarantees to support exports, the amount of money paid under state guarantees and state guarantees to support exports;

public commitments for public-private partnership projects;

annual assessment of the state of public sector debt;

report on public finance statistics of the Republic of Kazakhstan;

government obligations under turnkey construction contracts.

8. The State treasury shall ensure that treasury monitoring results shall be published.

9. The regional akimat, akimat of the city of republican significance, the capital shall provide publication:

forecast of socio-economic development;

development plan of the region, city of republican significance, capital;

investment plan of the region, city of republican significance, capital;

conclusions and recommendations from the cost review;

report on the implementation of the plan for the development of the region, the city of republican significance, the capital.

10. The regional akimat, akimat of the city of republican significance, the capital, the district (city of regional significance) akimat, the apparatus of the akim of the city of regional significance, village, settlement, rural district shall provide publication:

draft decision of the maslikhat on the local budget with Annexes, documents and materials specified in paragraph 5 of Articles 87 and 88, paragraph 2 of Article 91 of this Code;

decisions of the maslikhat on the local budget with Annexes, decisions of the local executive body (decisions of the akim of the city of regional significance, village, settlements, rural district) on the local financial plan for the first quarter of the next fiscal year with Annexes;

conclusions and recommendations from the cost review;

civil budget;

monthly report on the execution of the regional budget, budget of the city of republican significance, capital, district (city of regional significance), city of regional significance, village, settlement, rural district;

annual report on the execution of the budget of the region, city of republican significance, capital, district (city of regional significance), city of regional significance, village, settlement, rural district;

draft decision of the maslikhat on the volume of general transfers.

11. Administrators of budget programs shall ensure publication of:

passports of budget programs;  
aggregated summary information on passports of budget programs;  
civil budget;  
reports on the implementation of budget programs.

12. A public body shall ensure the publication of:

the development plan of the public body;

investment plan of the public body;

reports on implementation, results of monitoring and evaluation of realization of action plans or development plans of quasi-public sector entities that have been allocated budget funds from the republican or local budget;

reports on monitoring the implementation of state investment projects;

reports on the implementation of development plans of state bodies;

conclusions and recommendations on the results of the expenditure review, if any;

information on receipts and expenditures of extra-budgetary funds.

13. The Central authorized body on state assets shall ensure publication of the national report on state assets and quasi-state sector management.

14. The quasi-public sector entity shall ensure the publication of:

the civil budget on the budget funds received;

action plans or development plans and reports on their implementation;

results of monitoring and evaluation of the implementation of action plans or development plans;

information on the debt status of the quasi-public sector entity.

15. Autonomous educational organizations shall ensure the publication of long-term development strategies of autonomous educational organizations and reports on their implementation.

16. Legal entities or subjects of quasi-public sector, receiving transfers from the republican budget or budget funds for the performance of the state task, administrators of relevant budget programs shall ensure publication of reports on the use of transfers from the republican budget or performance of the state task.

17. State bodies authorized to carry out the assessment shall ensure publication of the results of the results assessment.

18. Central state and local executive bodies, administrators of budget programs, subjects of quasi-public sector, authorized bodies of the relevant branch (sphere) and other legal entities, carrying out monitoring in accordance with this Code, shall ensure publication of monitoring results.

19. Administrator of budget programs, central and local authorized bodies on budget execution, state treasury shall ensure publication of annual consolidated financial statements prepared in accordance with Articles 133 and 134 of this Code.

Footnote. Article 40 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).

**Article 41. Responsibility of budget process participants for violation of budget legislation of the Republic of Kazakhstan**

1. The first head of the budget program administrator shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

- use of targeted transfers from the National Fund of the Republic of Kazakhstan not in accordance with their intended purpose;

- timely submission of the budget request and the budget program passport to the relevant authorized bodies, including through the information system;

- spending of funds of the special state fund not in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state;

- inefficient planning and (or) inefficient use of budgetary funds, expressed in:

  - exceeding approved natural standards;

  - absence of documents (investment proposal, feasibility study, financial and economic feasibility study, design and estimate documentation) and (or) decisions (conclusions, examinations) of the relevant bodies and (or) organizations provided for by the budgetary legislation of the Republic of Kazakhstan;

- spending budget funds for the maintenance of objects not listed on the balance sheet of the corresponding administrator of budget programs, unless otherwise provided by the legislation of the Republic of Kazakhstan;

- spending budget funds for the maintenance of facilities not commissioned in accordance with the procedure established by the legislation of the Republic of Kazakhstan, unless otherwise provided by the legislation of the Republic of Kazakhstan;

- lack of economic effect from the implementation of state investment projects, determined in accordance with the legislation of the Republic of Kazakhstan.

2. The budget program manager shall be responsible, as established by the Laws of the Republic of Kazakhstan, for:

- drawing up a passport of the budget program, validity and completeness of the passport of the budget program, reliability of calculations for the budget program (subprogram), including through the information system, inclusion of state investment projects that shall not meet the requirements of paragraph 8 of Article 148 of this Code;

- compliance with the requirements established by paragraph 8 of Article 75 of this Code;

- inefficient implementation of budget programs;

- reliability, correctness and timeliness of submission of funding plans of the budget program administrator and individual funding plans to the state treasury or local authorized budget execution body;

- timely amendments to the funding plans of budget program administrators;

rationale for budgetary reallocation of the budget programme (subprogrammes);

untimely performance and submission of the results of monitoring the implementation of state investment projects to the relevant state bodies and (or) non-use of its results in project management;

untimely provision of the return of budget funds to the relevant budget in cases established by this Code;

reliability of information on the basis of which a list of budget programs shall be formed, according to which the use (reuse) of funds in the next financial year shall be allowed;

reliability and completeness of the report on the implementation of the budget program;

non-utilization of the state external loan within the period established by the loan agreement, or the extension of the period for the development of the state external loan, which resulted in the failure to achieve the goals and objectives stipulated by the loan agreement;

full and (or) partial cancellation of the state external loan, except for cases due to savings on the state external loan, which resulted in failure to achieve the goals and objectives stipulated by the loan agreement.

3. The chairman of the budget commission shall be responsible, established by the Laws of the Republic of Kazakhstan, for the activities carried out by the commission.

4. When the budget commission considers draft regulatory legal acts specified in Article 73 of this Code, the following shall bear responsibility established by the laws of the Republic of Kazakhstan:

the first head of the central government body - developer or local government body - developer of the normative legal act - for the completeness and reliability of financial and economic calculations and justifications indicating the sources of financing, the absence of a conclusion from the relevant local budget commission;

Secretary of the Republican or local budget commission - for submitting for consideration by the Republican or local budget commission the conclusions of the working body without the presence of financial and economic calculations and justifications indicating the sources of financing, or without the conclusion of the relevant local budget commission.

5. The first head of the central state body developing the development plan of the state body shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

reliability and completeness of the content of the development plan of the state body;

achievement of planned goals and target indicators within the funds provided for by the republican budget;

reliability and completeness of the report on the implementation of the development plan of the state body.

6. Akim of the region, cities of republican significance, the capital and the first head of the relevant local state body shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

reliability and completeness of the content of the development plan of the region, the city of republican significance, the capital;

reliability and completeness of the report on the implementation of the plan for the development of the region, the city of republican significance, the capital;

non-compliance with the debt limit of local executive bodies of regions, cities of republican significance, the capital.

7. The first heads of the respective administrator of budget programs and the subject of the quasi-public sector shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

completeness of the content of the development plan or action plan of the subject of the quasi-public sector and the timeliness of its submission to the authorized bodies;

validity of submitted investment proposals and feasibility and (or) financial and economic substantiations.

8. When planning transfers of a general nature and their use, the responsibility established by the Laws of the Republic of Kazakhstan shall be borne by:

the first head of the central sectoral state body for the timeliness of the development of methods for financing current, including capital and development costs, the reliability and validity of indicators adopted when calculating general transfers;

heads of central and local authorized bodies of the relevant industries (spheres) and akims of regions, cities of republican significance, the capital, districts (cities of regional significance), cities of regional significance, villages, towns, rural districts for the validity and reliability of the information provided to the calculations of general transfers;

akim of the region, city of republican significance, capital, district (city of regional significance), city of regional significance, village, settlement, rural district for the use of general transfers not in accordance with the Law and the decision of the corresponding maslikhat on the volume of general transfers.

9. When allocating targeted transfers from the higher budget to the lower budget and their use, the responsibility established by the Laws of the Republic of Kazakhstan shall be borne by:

the first head of budget program administrators of a higher budget for non-transfer of target transfers to lower budgets in accordance with the individual payment financing plan;

First head of the higher budget program administrator, who lists targeted development transfers for failure to achieve the final results stipulated by the passports of the corresponding local development budget programs;

the first head of the administrator of budget programs of the higher budget, which shall be the single organizer of the tender for public procurement, for late holding of competitive procedures;

akim of the region, city of republican significance, capital, district (city of regional significance), city of regional significance, village, settlement, rural district and the first head

of the relevant administrators of local budget programs for the use of targeted transfers not in accordance with the passport of the budget program, failure to achieve results, including with the full use of budget funds, failure to report on the results achieved through the use of the received targeted transfers;

akim of the region, city of republican significance, capital, district (city of regional significance), city of regional significance, village, settlement, rural district, first head of administrators of budget programs of the lower budget for non-utilization of target transfers received from the higher budget, which resulted in non-achievement of results.

10. The first heads of legal entities or entities of the quasi-public sector that receive transfers to legal entities or budget funds for the implementation of the state task are responsible, established by the Laws of the Republic of Kazakhstan, for:

achievement of indicators of results defined in the development plans of state bodies, development plans, action plans of entities of the quasi-public sector, as well as long-term development strategies of autonomous educational organizations and (or) passports of budget programs of the corresponding budget program administrators;

validity and reliability of calculations for the budget programme (subprogramme), completeness and timeliness of submission of the budget programme (subprogramme);

validity and reliability of reports on the use of transfers to legal entities or on the fulfillment of a government assignment.

11. The first head of the subject of the quasi-public sector shall be responsible, established by the Laws of the Republic of Kazakhstan, for non-fulfillment or incomplete fulfillment of obligations to implement (implement) the pilot project and (or) manage it.

12. The first heads of entities of the quasi-public sector, to increase (form) the authorized capital of which funds shall be provided for the corresponding financial year in the Law on the republican budget or in the decision of the maslikhat on the local budget, shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

untimely monitoring of the implementation of budget investments;

non-use of the results of monitoring the implementation of budget investments in project management;

failure to achieve the final results stipulated by the passports of budgetary development programs;

failure to achieve the results of budget investments provided for by the financial and economic justification, including with the full use of the allocated budget funds;

use of funds remaining at the disposal of the quasi-public sector entity after payment of dividends (part of net income) not in accordance with the dividend policy.

13. The first head of a state institution shall ensure and bear responsibility established by the Laws of the Republic of Kazakhstan for:



compliance with the requirements of the legislation of the Republic of Kazakhstan on public procurement, civil legislation of the Republic of Kazakhstan when registering civil transactions;

lawfulness and validity of submission of the invoice for payment;

accuracy of the specified details and amounts in the invoice for payment and supporting documents;

timely and complete fulfillment of obligations to make payments in favor of recipients of money;

reliability of confirmation of the delivery of goods, work performed and (or) services rendered in accordance with the concluded civil law transactions;

submission to the state treasury body of documents confirming the validity of the payment under the registered civil law transaction.

14. The first head of the subject of the quasi-public sector, the general contractor within the framework of treasury support, borrowers who have attracted a loan guaranteed by the state provide and bear responsibility established by the Laws of the Republic of Kazakhstan for:

lawfulness and validity of payment orders;

accuracy of the specified details in payment orders;

timeliness and completeness of fulfillment of obligations to make payments in favor of the recipient of money;

reliability of performed operations;

submission of documents confirming the validity of the payment to the state treasury bodies.

15. The borrower under a loan having a state guarantee shall be liable, as established by the Laws of the Republic of Kazakhstan, for misuse of funds received under a loan guaranteed by the Government of the Republic of Kazakhstan and for the return of funds diverted to fulfill obligations under the state guarantee in case of non-fulfillment by the borrower of debt obligations under the loan.

The borrower shall be liable under the loan secured by the Government, as established by the Laws of the Republic of Kazakhstan, for misuse of funds received and return of funds diverted to fulfill obligations under the guarantee of the Government, in case of non-fulfillment by the borrower of debt obligations under the loan.

16. The first head of the subject of the quasi-public sector shall be responsible, established by the Laws of the Republic of Kazakhstan, for:

completeness of information on internal and external loans and debt and timeliness of its submission to the authorized bodies;

non-utilization of a non-state loan guaranteed by the state within the period established by the loan agreement, or the extension of the period for the development of a non-state loan

guaranteed by the state, which resulted in the failure to achieve the goals and objectives stipulated by the loan agreement;

full and (or) partial cancellation of a non-state loan under a state guarantee, except for cases due to savings on a non-state loan under a state guarantee, which entailed failure to achieve the goals and objectives stipulated by the loan agreement.

17. Legal entities determined to carry out economic expertise of state investment projects bear responsibility for the quality of economic expertise established by the Laws of the Republic of Kazakhstan.

18. The borrower and the ultimate borrower under the budget loan shall be liable as established by the Laws of the Republic of Kazakhstan for:

use of the budget loan for other purposes;

non-payment, late repayment of the budget loan.

19. The first heads of central state and local executive bodies bear responsibility, established by the laws of the Republic of Kazakhstan, for the fulfillment of state obligations under public-private partnership projects, under turnkey construction projects within the framework of the allocated budget funds for the relevant financial year.

20. The first heads of central state and local executive bodies, entities of the quasi-public sector, legal entities receiving budget funds shall be responsible for the accuracy of materials, information and documents published in accordance with Article 40 of this Code.

**Footnote. Article 41 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

## **Chapter 10. RESULTS MANAGEMENT**

### **Article 42. General provisions on results management**

1. Results management shall consist in planning documents of the state planning system of the Republic of Kazakhstan, planning and execution of budgets, preparation of reports using a review of expenses, results of state audit and financial control, monitoring results, results assessment system.

2. Results shall be managed by state bodies, authorized bodies at the stages of planning and budget execution.

### **Article 43. Review of expenses**

1. Review of expenses shall be an analysis of expenditures planned or provided for by the documents of the State Planning System of the Republic of Kazakhstan and the budget, as well as the sectoral policy of the state body in order to ensure control over the spending of budgetary funds and improve the quality of their prioritization.

2. The review of expenses shall be carried out in cases provided for by this Code, and in other cases, including when developing documents of the State Planning System of the Republic of Kazakhstan, at the suggestion of the relevant budget commission, specialized

standing committees of the Chambers of the Parliament of the Republic of Kazakhstan and (or) on the basis of a decision of the Government of the Republic of Kazakhstan or the local executive body.

3. The following requirements shall be met when conducting the review of expenses:

alignment with the purpose and theme of the review of expenses;

the main criteria (results) of the cost review should be clearly defined;

the scope of the review of expenses must be defined - document types, expenses for the expenditure review;

The level of review of expenses should be defined - the level and (or) levels of public administration, the industry (area) for the review of expenses;

time frame, frequency.

4. The review of expenses should contain conclusions and recommendations on:

Ways to address the issues raised by the review of expenses;

compliance of budget expenses with the sectoral policy;

opportunities (options) to optimize lower-priority and inefficient budget expenses;

opportunities (options) for reallocation of budgetary funds to other or new expenses depending on the priorities of the policy.

5. The review of expenses shall be divided into:

strategic review of expenses;

budget review of expenses;

investment review of expenses.

The strategic review of expenses shall be conducted for:

realism, expediency, relevance of documents of the State Planning System of the Republic of Kazakhstan;

consistency of goals and objectives defined in the documents of the State Planning System of the Republic of Kazakhstan;

presence (absence) of duplication, fragmentation, intersection and contradictions between the documents of the State Planning System of the Republic of Kazakhstan;

compliance with the state policy;

determining the priority and realism of goals and (or) target indicators of documents of the State Planning System of the Republic of Kazakhstan.

The budget review of expenses shall be conducted for:

efficiency, justification, efficiency and expediency of budget expenses;

possible optimization and (or) redistribution of expenses;

the need and expediency of further planning of the accumulated difference in amounts associated with the lack of budgetary funds to achieve the target indicators of the approved development plan or the draft development plan of a state body, region, city of republican significance, capital.

The investment review of expenses shall be carried out taking into account the need for priority financing of the started (ongoing) state investment projects in order to:

identification and analysis of the reasons for the rise in price, underfunding, incompleteness of state investment projects;

linking state investment projects with target indicators of the draft plan for the development of a state body or region, city of republican significance, capital;

identifying factors that influenced the implementation of state investment projects within the framework of the current development plan of a state body or region, city of republican significance, capital;

When planning public investment projects, the results of monitoring and evaluation of results carried out in accordance with Articles 45 and 46 of this Code shall be applied.

6. On the basis of the theme and purpose of the review of expenses, one or more of the review of expenses referred to in paragraph 5 of this Article shall apply.

7. The review of expenses shall be carried out by the central authorized body for state planning, the central authorized body for budget planning, the central authorized body for budget policy, local executive bodies, the relevant authorized state bodies, depending on its purpose and topic.

8. The review of expenses, conclusions and recommendations on the results of its conduct shall be sent to the Government of the Republic of Kazakhstan or the local executive body and the relevant standing committee of the House of Parliament of the Republic of Kazakhstan if this review has been carried out on its proposal.

9. Conclusions and recommendations of the review of expenses:

shall be used to make administrative and management decisions;

shall be applied in the budget process in accordance with this Code;

shall be published in accordance with Article 40 of this Code.

10. The procedure for conducting a review of expenses determining goals, topics, objects, criteria, scope (coverage), level, time frame, frequency shall be determined by the central authorized body for budget policy.

#### **Article 44. State audit and financial control**

1. In budgetary relations, the bodies of state audit and financial control shall carry out expert and analytical activities of authorized bodies of external state audit and financial control in the form of expert and analytical measures, as well as preliminary, current and subsequent assessment of the budget in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control.

2. The central authorized body for budget planning and the relevant local authorized bodies for state planning, the central authorized body for budget execution and the relevant local authorized bodies for budget execution, administrators of budget programs interact with the authorized bodies of external state audit and financial control in accordance with Articles 86, 87, 90, 91, 95, 96, 119 - 128 and 153 of this Code.

3. Internal audit services of central state bodies, local executive bodies of regions, cities of republican significance, the capital, departments of central state bodies, with the exception of the internal audit service of the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations, for the purposes of this Code in the relevant state body:

provide advisory assistance in order to comply with the requirements of the budget legislation of the Republic of Kazakhstan at all stages of the budget process.

In case of violations of the requirements of the budget legislation of the Republic of Kazakhstan, advisory assistance shall be provided in eliminating violations and bringing them in line with the budget legislation of the Republic of Kazakhstan;

monitor the implementation of the recommendations of the state audit and financial control bodies, inform them of the measures taken;

prepare information on the measures taken to discuss the draft republican or local budget and the annual report on its implementation in representative bodies.

#### **Article 45. Monitoring**

1. Monitoring shall be a regular process of collecting and analyzing information in a specific industry (area), used to make administrative and management decisions and shall be the basis for assessing results.

2. Monitoring shall be carried out by central state and local executive bodies, administrators of budget programs, entities of the quasi-public sector, authorized bodies of the relevant industry (sphere).

3. Monitoring shall be carried out in the following industries (areas):

monitoring of documents of the State Planning System of the Republic of Kazakhstan in accordance with it;

monitoring the state of public finances;

monitoring in the field of intergovernmental relations;

treasury monitoring;

budget monitoring;

public sector debt monitoring;

monitoring the implementation of public investment projects, including monitoring public obligations under public-private partnership projects;

monitoring of budget loans;

monitoring the use of related grants;

monitoring of government obligations under turnkey construction contracts.

4. Monitoring results:

used in the budget planning process

shall be discussed at meetings of public councils, in the Parliament of the Republic of Kazakhstan and maslikhats when discussing issues of allocating budget funds to administrators of budget programs and subjects of the quasi-public sector and shall be

included in the documents and materials submitted to the Parliament of the Republic of Kazakhstan and maslikhat simultaneously with the draft law on the republican budget and the draft decision of the maslikhat on the local budget;

shall be included in the annual performance report of the respective budget;

shall be published in accordance with Article 40 of this Code.

**Footnote. Article 45 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 46 System of evaluation results**

1. Evaluation results shall include the following types of evaluations:

assessment of the implementation of documents of the State Planning System of the Republic of Kazakhstan in accordance with the State Planning System of the Republic of Kazakhstan;

operational assessment to achieve goals in accordance with the system of annual assessment of the effectiveness of the central state and local executive bodies of the regions, cities of republican significance, the capital, conducted by the Supreme Audit Chamber of the Republic of Kazakhstan in terms of assessing the effectiveness of the activities of state bodies to achieve the goals of development plans of state bodies and regional development plans, cities of republican significance, the capital and the authorized body for budget execution in terms of assessing the effectiveness of the activities of state bodies to achieve the final results provided for by the passports of budget programs;

assessment of the implementation of state investment projects;

assessment of the effectiveness of state property management.

2. The evaluation of results shall contain mandatory recommendations on improving the efficiency and effectiveness of planning and use of state budget funds and assets and the effective allocation of state resources.

3. Outcomes of evaluation results:

used in the budget planning process

shall be discussed at meetings of public councils, in the Parliament of the Republic of Kazakhstan and maslikhats when discussing issues of allocating budget funds to administrators of budget programs and subjects of the quasi-public sector and shall be included in the documents and materials submitted to the Parliament of the Republic of Kazakhstan and maslikhat simultaneously with the draft law on the republican budget and the draft decision of the maslikhat on the local budget;

shall be included in the annual performance report of the respective budget;

shall be published in accordance with Article 40 of this Code.

4. State bodies authorized to conduct assessments shall submit the results of the assessment to the central authorized body for budget planning, the central authorized body for

budget execution, the local executive body no later than April 15 of the year following the reporting year.

### **SECTION 3. PUBLIC FINANCE MANAGEMENT Chapter 11. FUNDAMENTALS OF PUBLIC FINANCE MANAGEMENT**

#### **Article 47. General provisions on public financial management**

1. The goal of public financial management shall be to create conditions for their long-term sustainability by defining budget policies and their implementation, taking into account the risk assessment.

For the purposes of this Code, risk shall be uncertainty that impedes the management of public finances arising from the impact of internal and/or external economic and/or macroeconomic and other factors in the long and medium term.

The budget policy shall include the development of documents defining the vision, approaches and measures for managing public finances, and targets approved by the decrees of the President of the Republic of Kazakhstan.

Coordination of the activities of state bodies in determining budget policy shall be carried out by the central authorized body for budget policy.

2. Public finance shall be managed using the following tools:

- 1) long-term development forecast of the Republic of Kazakhstan;
- 2) forecast of socio-economic development;
- 3) a system of budget rules;
- 4) analytical report on budget risks;

**Footnote. Subparagraph 5) of paragraph 2 of Article 47 shall enter into force dated 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

- 5) analytical report on tax revenues;
- 6) forecast consolidated financial statements;
- 7) consolidated financial statements;
- 8) a report on public finance statistics.

3. Information on the state of public finances shall include information on:  
parameters of republican, state, consolidated budgets;

receipts and revenues of the National Fund of the Republic of Kazakhstan,  
extra-budgetary funds;  
public sector debt obligations;  
compliance with budget rules and targets;  
other data.

Information on the state of public finances shall be open and subject to annual publication in the form of statistical information in accordance with Article 40 of this Code.

The forecast of the state of public finances shall be carried out by the central authorized body for budgetary policy as part of the long-term forecast of the development of Kazakhstan and the forecast of the socio-economic development of Kazakhstan.

Methodological support for calculating forecast information on the state of public finances, determining the limits provided for in subparagraph 3) of paragraph 1 of Article 137 of this Code, determining the criteria and forming a list of entities of the quasi-public sector that have been granted the right to attract external loans shall be carried out by the central authorized body for budget policy.

Monitoring and formation of information on the state of public finances shall be carried out by the central authorized body for budget execution together with the central sectoral state bodies, local executive bodies and the National Bank of the Republic of Kazakhstan in the manner determined by the central authorized body for budget execution in agreement with the central authorized body for budget policy.

#### **Article 48. System of budget rules**

1. The system of budget rules shall be a set of budget rules and targets aimed at ensuring the sustainability of public finances.

Budget rule - a restriction on budget parameters in the form of their limit values (limits according to budget rules), applied when approving and clarifying the republican budget.

Targets shall be the limiting parameters of public finances and other conditions in relation to budgetary policy in the long term.

2. Budget rule types shall be divided into:

- 1) guaranteed transfer rule;
- 2) Republican budget spending rule.

The guaranteed transfer rule shall be a budget rule, according to which the volume of guaranteed transfer from the National Fund of the Republic of Kazakhstan shall be planned in an amount not exceeding the volume of projected revenues to the National Fund of the Republic of Kazakhstan from organizations of the oil sector at the cut-off price.

The cut-off price shall be determined in the manner determined by the central authorized body for budget policy in agreement with the National Bank of the Republic of Kazakhstan.

The republican budget expenditure rule shall be a budget rule according to which the growth rate of republican budget expenditures excluding loan repayment (for the planning period) shall be limited by the level of long-term economic growth increased by the inflation target.

The level of long-term economic growth shall be defined as the average growth of real gross domestic product for the ten years preceding the planning period.

The inflation target shall be set by the National Bank of the Republic of Kazakhstan.

3. Targets shall be determined by a document developed by the central authorized body for budget policy in accordance with part three of paragraph 1 of Article 47 of this Code.



4. Information on compliance with the limits according to budget rules and targets shall be reflected in the forecast of socio-economic development of the Republic of Kazakhstan.

5. Deviation from budget rules and targets shall be allowed in:

crisis situations that entailed a lack of economic growth and a decrease in budget revenues  
, an increase in state obligations and budget expenditures not covered by budget revenues;  
in a state of emergency or martial law in the Republic of Kazakhstan;  
the case provided for in subparagraph 2) of paragraph 1 of Article 59 of this Code.

In case of deviation from budgetary rules and targets in crisis situations and cases of emergency or martial law in the Republic of Kazakhstan, a return to the initial limits of budgetary rules and targets shall be carried out over the next three years by developing an action plan. approved by the Government of the Republic of Kazakhstan together with the National Bank of the Republic of Kazakhstan, with the reflection of adjusted indicators in the forecast of socio-economic development of the Republic of Kazakhstan.

#### **Article 49. Public sector debt**

1. Public sector debt obligations shall be:

public debt;

contingent debt obligations - state-guaranteed debt, state-guaranteed obligation to support exports, state guarantees;

debt of the National Bank of the Republic of Kazakhstan;

quasi-public sector debt;

public commitments for public-private partnership projects;

government obligations under turnkey construction contracts.

Public sector debt shall be consolidated and used for analytical purposes to manage public finances.

2. The forecast and assessment of debt obligations of the public sector shall be carried out in accordance with Article 137 of this Code and shall be included in the forecast of socio-economic development of the Republic of Kazakhstan, compiled in accordance with Article 51 of this Code.

3. The provisions of paragraph 2 of this Article shall not apply to the debt of the National Bank of the Republic of Kazakhstan.

**Footnote. Article 49 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 50. Long-term development forecast of the Republic of Kazakhstan**

1. The long-term development forecast of the Republic of Kazakhstan shall be a document that shall determine the forecast state of economic, macroeconomic indicators and public finances for the formation of fiscal policy, and shall be used in determining the financial security of documents of the State Planning System of the Republic of Kazakhstan in their development.

2. The long-term development forecast of the Republic of Kazakhstan shall be developed once every three years for a ten-year period.

3. The long-term development forecast of the Republic of Kazakhstan shall contain:

options for external and internal conditions of socio-economic development;

assessment of the socio-economic effect, including an assessment of the actual and (or) expected socio-economic effect from the use of budgetary funds and other sources of financing for the tasks and functions of the state, information on deviations from the results indicators and their reasons, analysis of the realism of the selected goals, target indicators, tasks, results indicators;

long-term social and economic development risks;

an assessment of the sustainability of public finances, containing an assessment of the sustainability of current fiscal policy, an assessment of the impact on the budget of the consequences of all future changes, an assessment of public sector debt;

options for forecasting the development of the Republic of Kazakhstan for the long term and other options that shall take into account changes in external and internal development conditions, taking into account the risks of socio-economic development for the long term and in conjunction with the ongoing investment policy, policy on economic sectors, regional policy, policy of managing state assets, measures of state support;

forecast of the state of public finances;

other provisions.

4. The long-term development forecast of the Republic of Kazakhstan shall be developed by the central authorized body for budget policy together with the central authorized body for budget planning, the central authorized body for budget execution, approved by the Government of the Republic of Kazakhstan and subject to publication in accordance with Article 40 of this Code.

5. The long-term development forecast of the Republic of Kazakhstan cannot be clarified or adjusted when clarifying and adjusting the budget.

6. The procedure, terms of development, structure and content of the long-term development forecast of the Republic of Kazakhstan, the procedure for interaction between state bodies shall be determined by the central authorized body for budget policy.

7. Coordination of the activities of state bodies in the development of a long-term forecast of the development of the Republic of Kazakhstan shall be carried out by the central authorized body for budget policy.

#### **Article 51. Forecast of socio-economic development**

1. The forecast of socio-economic development shall be a document that shall determine the parameters of the socio-economic development of the Republic of Kazakhstan, the region, the city of republican significance, the capital on the basis of the long-term forecast of the development of the Republic of Kazakhstan.

The forecast of socio-economic development of the Republic of Kazakhstan shall be developed once a year on a rolling basis for the planning period.

2. The forecast of socio-economic development necessarily shall contain information on the amounts and reasons for the discrepancy for the same period of forecast data with the forecast data of the forecast of socio-economic development approved in the reporting fiscal year and with the long-term development forecast of the Republic of Kazakhstan.

3. The forecast of socio-economic development of the region, the city of republican significance, the capital shall be developed once a year on a rolling basis for the planning period, taking into account the parameters of the forecast of socio-economic development of the Republic of Kazakhstan.

4. The forecast of indicators of socio-economic development can be adjusted taking into account changes in internal and external conditions of economic development.

5. The forecast of indicators of socio-economic development and budget parameters for the second and third years of the planning period shall be indicative and shall be approved in the forecast of socio-economic development for the next planning period, taking into account changes in the forecast of the main macroeconomic indicators, monitoring and assessment of results, and other internal and external factors.

6. The procedure, terms of development and structure of sections of the forecast of socio-economic development, including the forecast of socio-economic development of the region, the city of republican significance, the capital, shall be determined by the central authorized body for budgetary policy.

The requirements for forecast indicators of the social sphere for the planning period shall include their mandatory reflection, taking into account the gender aspect.

Methodological support for calculations of indicators of the forecast of socio-economic development shall be carried out by the relevant central authorized state bodies in accordance with the procedure for developing a forecast of socio-economic development established by part one of this paragraph.

7. The forecast of socio-economic development shall be developed, respectively, by the central authorized body for budgetary policy and the local authorized body for state planning of the region, city of republican significance, capital, approved by the Government of the Republic of Kazakhstan or the local executive body of the region, city of republican significance, capital and shall be subject to publication in accordance with Article 40 of this Code.

8. The forecast of socio-economic development shall be submitted to the central authorized body for budget planning or the local authorized body for state planning for application in the budget planning process.

## **Article 52. Forecast budget receipts**

1. Forecasting of revenues to the state and republican budgets, the National Fund of the Republic of Kazakhstan, the local budget shall be carried out by the central authorized body

for budget policy or the local authorized body for state planning based on the parameters of socio-economic development, analysis of budget execution in previous and current years, information provided by authorized state bodies, defined in paragraphs 3, 4, 5 and 6 of this Article, and other data.

Analysis of budget revenues shall be carried out on the basis of data provided by state revenue bodies and authorized bodies for non-tax revenues.

2. Forecasting of revenues to the state and republican budgets, the National Fund of the Republic of Kazakhstan by categories, classes and subclasses of the unified budget classification shall be carried out by the central authorized body for budget policy.

Forecasting of budget revenues shall be carried out on the basis of the methodology for forecasting budget revenues, developed and approved by the central authorized body for budget policy.

Forecasting of revenues to the local budget by categories, classes and subclasses of the unified budget classification shall be carried out in the manner determined by the local executive body of the region, the city of republican significance, the capital, on the basis of the methodology developed in accordance with part two of this paragraph.

3. Tax and non-tax revenues shall be provided and administered by state revenue bodies and authorized bodies for non-tax revenues.

4. Proceeds from the repayment of budget loans shall be determined by the central authorized body for budget execution or the local authorized body for budget execution.

5. Proceeds from the sale of financial assets of the state shall be determined by the central authorized body for budget execution together with the central authorized body for state property management or the local authorized body for budget execution.

6. Loan receipts shall be determined by the central budget execution authority in conjunction with the central budget policy authority or the local budget execution authority.

7. State revenue bodies, authorized bodies for non-tax revenues and authorized state bodies responsible for collecting and controlling proceeds from the sale of fixed capital, amounts of repayment of budget loans, from the sale of financial assets of the state, loans:

ensure timely and full receipt of payments, fees, duties, fines and other payments to the republican or local budget;

carry out budget monitoring of their receipt, return of unnecessarily (erroneously) paid amounts of income or their offset to pay off debts to the budget;

submit reports, including analytical reports, on their receipt to the central or local authorized body for budget execution for compilation and inclusion in the annual report on execution of the corresponding budget.

The central authorized body for budget execution shall determine the list of authorized bodies for non-tax revenues to the republican budget, the National Fund of the Republic of Kazakhstan, the Victims Compensation Fund, the Special State Fund and authorized state bodies responsible for collecting and monitoring revenues from the sale of fixed capital,

transfers, amounts of repayment of budget loans, from the sale of financial assets of the state, loans in the context of non-tax revenues.

The relevant local executive body of the region, city of republican significance, capital, district (city of regional significance) shall determine the list of authorized bodies for non-tax revenues of the local budget and authorized state bodies responsible for collecting and monitoring revenues from the sale of fixed capital, transfers, amounts of repayment of budget loans, from the sale of financial assets of the state, loans, in the context of non-tax revenues.

#### **Article 53. Budget risk analysis report**

1. Fiscal risk shall be uncertainty that shall make it difficult to manage public finances and reduces the realism of the budget due to the impact of internal and/or external economic and/or macroeconomic and other factors in the medium term.

2. An analytical report on budget risks shall be formed annually during the development of the draft law on the republican budget for the next planning period by the central authorized body for budget policy together with the central authorized body for budget planning, the central authorized body for budget execution, the authorized body for state regulation, control and supervision of the financial market and financial organizations and the National Bank of the Republic of Kazakhstan in the order, defined by them, and sent to the central authorized body for budget planning.

3. Budget risk analysis report shall:

includes macroeconomic, quasi-fiscal risks, financial sector risks, risks associated with public sector debt obligations, government obligations under public-private partnership projects, turnkey construction projects and other specific risks;

be taken into account in the formation of the main directions of tax and (or) budgetary policy, long-term and medium-term forecasting, budget planning for the next planning period;

be used to assess the impact of budget risks on budget parameters;

be included in the materials attached to the draft law on the republican budget;

be published in accordance with Article 40 of this Code.

**Footnote. Article 53 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 54. Tax revenues analysis report**

1. Tax revenues shall be tax benefits provided to taxpayers in accordance with the tax legislation of the Republic of Kazakhstan.

2. The analytical report on tax revenues shall contain an assessment of the effectiveness of tax benefits and the feasibility of their further application.

3. The tax gap indicator shall be included in the analytical report on tax revenues.

The tax gap shall be the difference between the tax potential and the actual taxes received.

Tax potential - the possible amount of tax revenues and other mandatory payments to the budget, including tax expenditures and the unobserved economy.

The tax gap shall be calculated by the reporting fiscal year and shall be used to analyze tax policy, tax administration and the effectiveness of tax collection.

4. In order to form an analytical report annually, no later than June 1 of the current year, the central authorized body in the field of tax policy shall submit:

authorized state bodies - information on monitoring and control of tax revenues by supervised industries;

central authorized body for budget execution - information on the amount of tax benefits applied by taxpayers and their impact on budget revenues.

The tax gap shall be used in the analysis of the completeness of the collection of tax revenues and shall be one of the criteria for analyzing the impact of the industry on the development of the economy, carried out by the central authorized body in the field of tax policy.

The reduction (reduction) of the tax gap shall be one of the indicators of the performance of state revenue bodies and the authorized body in the field of tax policy.

5. Tax expense analysis report shall:

be formed annually during the development of the draft law on the republican budget for the next planning period by the central authorized body in the field of tax policy in the manner approved by the Government of the Republic of Kazakhstan, and be sent to the central authorized body for budget planning;

be taken into account in the formation of the main directions of tax and (or) budgetary policy, long-term and medium-term forecasting, budget planning for the next planning period;

be used as analytical information when considering draft regulatory legal acts introduced in accordance with paragraph 2 of Article 73 of this Code;

be included in the materials attached to the draft law on the republican budget;

be published in accordance with Article 40 of this Code.

Footnote. Article 54 shall enter into force dated 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.

## **Article 55. Extra-budgetary activities of state bodies and state institutions**

1. If the Laws of the Republic of Kazakhstan provide for the obligations of individuals or legal entities aimed at providing property and non-property benefits to the state or region, including in cash, the authorized sectoral state bodies and (or) local executive bodies shall carry out:

monitoring, through appropriate reporting, the implementation of planned activities, indicating the amounts in the manner determined by the central sectoral government body;

inclusion of monitoring and reporting results in the annual performance report of the respective budget;

publication of monitoring and reporting results on the official Internet resource.

2. In case of transfer in accordance with the legislation of the Republic of Kazakhstan on administrative procedures of the functions of central and (or) local executive bodies into the

competitive environment appropriate central and (or) the local executive bodies shall include in the annual performance report the results of monitoring the implementation of functions transferred in accordance with the register of functions of the central and (or) local executive bodies in a competitive environment by outsourcing, state assignment, provision of transfers to legal entities, state social order, transfer at the expense of users, introduction of self-regulation based on mandatory membership (participation).

Parafiscal payments shall be mandatory targeted payments established by the Laws of the Republic of Kazakhstan, which shall be paid by individuals and legal entities in favor of individual legal entities providing services as a result of transferring the function of the central and (or) local executive body to a competitive environment and pursuing socially significant goals (hereinafter, the legal entity).

The powers and content of the activities of a legal entity, functions, purpose of parafiscal payments and their expenditure shall be determined by the legislation of the Republic of Kazakhstan.

The legal entity and the procedure for collecting parafiscal payments shall be determined by the legislation of the Republic of Kazakhstan.

The central authorized body in the field of tax policy and the relevant local executive body shall keep a register of parafiscal payments indicating the amounts of revenues and shall analyze them for their preservation, abolition or transfer to the budget.

The register of parafiscal payments shall be maintained on the basis of the register of functions of central and (or) local executive bodies transferred to the competitive environment, entailing parafiscal payments, formed by the central authorized body in the field of development of the public administration system in accordance with the legislation of the Republic of Kazakhstan on administrative procedures.

The procedure for interaction between state bodies and the deadlines for submitting the register specified in part six of this paragraph to the central authorized body in the field of tax policy shall be established by the authorized body in the field of development of the public administration system.

## **Article 56. General provisions on the participation of quasi-public sector entities in the budget process**

1. Participation of entities of the quasi-public sector in the budget process shall be carried out through development plans of entities of the quasi-public sector or action plans for their implementation, developed in accordance with the legislation of the Republic of Kazakhstan, as well as in the manner prescribed by the legislation of the Republic of Kazakhstan and Chapter 8 of this Code.

Documentation on development plans of entities of the quasi-public sector or action plans for their implementation shall be subject to publication in accordance with Article 40 of this Code.

2. Authorized bodies of the relevant industry and local executive bodies exercising the rights of ownership and use of the state block of shares (equity interest) of a quasi-public sector entity, sole shareholder (participant) of which the state shall be a party, at annual general meetings of shareholders (participants), in accordance with the procedure established by the legislation of the Republic of Kazakhstan, take measures to send at least seventy percent of the net income of the quasi-public sector entity to pay dividends (income) reflected in the annual financial statements, and if there is a subsidiary (subsidiaries) - in the consolidated annual financial statements and their timely transfer.

The authorized body of the relevant industry or the local executive body or the apparatus of the akim of the city of regional significance, village, settlement, rural district monitors the completeness and timeliness of transfer by state enterprises to the budget of a part of net income in the amount of at least fifty percent of the net income of the state enterprise, with the exception of state-owned enterprises operating in an area conducive to the implementation by the National Bank of the Republic of Kazakhstan, The Office of the President of the Republic of Kazakhstan and its departments assigned to them functions, as well as activities in the social sphere.

The standard for deducting part of the net income of state-owned enterprises created by the Office of the President of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan, shall be determined by themselves.

The standard for deducting part of the net income of state-owned enterprises operating in the social sphere shall be established by the authorized body of the relevant industry or local executive body or the apparatus of the akim of the city of regional significance, village, settlement, rural district.

The first part of this paragraph shall apply to cases of the state acting as the founder (participant, depositor, shareholder, member) of legal entities registered in accordance with the current law of the Astana International Financial Center, in a part that shall not contradict the acts of the Astana International Financial Center.

With regard to the National Welfare Fund, the Government of the Republic of Kazakhstan shall take measures to send as dividends an amount of at least fifty percent of the dividends received during the reporting period from legal entities whose shares (participation interests) belong to the National Welfare Fund, and their timely transfer.

When calculating the amount of dividends paid by the National Welfare Fund to the republican budget, the amount of project financing is taken into account in accordance with the decisions of the sole shareholder of the National Welfare Fund.

3. The reduction in the number of payments or exemption from payment of income specified in paragraph 2 of this Article shall be subject to mandatory consideration by the relevant budget commission in the manner and according to the list that shall be determined by:



1) in relation to state enterprises, joint-stock companies, limited liability partnerships, state blocks of shares (shares in the authorized capital) of which shall be in republican ownership, - the authorized body for state property together with the central authorized body for budgetary policy;

2) in relation to the National Welfare Fund - by the Government of the Republic of Kazakhstan;

3) in relation to state enterprises, joint-stock companies, limited liability partnerships, state blocks of shares (shares in the authorized capital) of which shall be in communal ownership - by the relevant local executive body or apparatus of the akim of the city of regional significance, village, settlement, rural district in agreement with the meeting of the local community.

4. Entities of the quasi-public sector shall submit to the relevant state body, local executive body or apparatus of the akim of the city of regional significance, village, settlement, rural district, exercising the rights of ownership and use of the state block of shares (participation in the authorized capital), information on the use of net income funds remaining after the payment of dividends or deductions to the relevant budget, for inclusion in the annual report on the execution of the relevant budget.

The procedure and form for providing information by entities of the quasi-public sector on the use of net income funds remaining after the payment of dividends or contributions to the relevant budget shall be determined and approved by the central authorized body for budgetary policy in the field of public asset management.

5. Proceeds from the privatization of republican property, transfer to the competitive environment of assets of national management holdings, national holdings, national companies and their subsidiaries, affiliates and other legal entities affiliated with them shall be credited to the National Fund of the Republic of Kazakhstan in full in nominal terms.

6. Proceeds from the privatization of communal property shall be credited to the local budget in full in nominal terms.

7. Subjects of the quasi-public sector borrow in accordance with the legislation of the Republic of Kazakhstan and this Code.

Borrowing of quasi-public sector entities shall be limited by the limit of external debt of quasi-public sector entities established in accordance with Article 137 of this Code.

Information on the state of debt of quasi-public sector entities, including the volume of expenses for servicing and repayment of debt, is subject to publication in accordance with Article 40 of this Code.

When using loan funds, the first head of a quasi-public sector entity shall bear the responsibility established by the Laws of the Republic of Kazakhstan in accordance with Article 41 of this Code.

8. The Central authorized body for state property annually shall form the National report on the management of state assets and the quasi-public sector, containing a comprehensive analysis of the effectiveness of the management of state assets and the quasi-public sector.

The procedure for the formation of the National report on the management of state assets and the quasi-public sector shall be approved by the Central budget policy authority.

The central authorized body for state property shall send the National report on the management of state assets and the quasi-public sector to the central authorized body for budget planning and the central authorized body for budget execution for inclusion in the materials attached to the draft law on the republican budget and the annual report on the execution of the republican budget.

Information on the National Report on the management of public assets and the quasi-public sector shall be published in accordance with Article 40 of this Code.

9. Additional use and return to the budget of balances in cash control accounts of entities of the quasi-public sector shall be carried out in accordance with Article 115 of this Code.

Placement of budgetary funds and funds received from the National Fund of the Republic of Kazakhstan on deposits and other financial instruments, including abroad, by entities of the quasi-public sector in order to receive remuneration, with the exception of cases provided for by Article 113 of this Code, shall be prohibited.

## **Chapter 12. NATIONAL FUND OF THE REPUBLIC OF KAZAKHSTAN**

### **Article 57. General provisions on the National Fund of the Republic of Kazakhstan**

1. The National Fund of the Republic of Kazakhstan shall represent the assets of the state in the form of financial assets, concentrated on the accounts of the Government of the Republic of Kazakhstan with the National Bank of the Republic of Kazakhstan, mineral resources transferred to fulfill tax obligations to pay special payments and taxes of subsoil users in kind or money from their sale, in the amount determined in accordance with the tax legislation of the Republic of Kazakhstan, as well as in the form of other property, except for intangible assets.

In order to use, analyze and forecast the assets of the National Fund of the Republic of Kazakhstan, the size of the net assets of the National Fund of the Republic of Kazakhstan shall be used, that is, assets minus liabilities, including the number of targeted claims.

2. The National Fund of the Republic of Kazakhstan shall be intended to ensure the socio-economic development of the state by accumulating financial assets and other property, with the exception of intangible assets, reducing the dependence of the economy on the oil sector and the impact of adverse external factors.

3. The National Fund of the Republic of Kazakhstan shall carry out savings and stabilization functions.

The savings function shall ensure the accumulation of financial assets and other property, with the exception of intangible assets, and the profitability of assets of the National Fund of the Republic of Kazakhstan in the long term with a moderate level of risk.

The stabilization function shall be designed to maintain a sufficient level of liquidity of the assets of the National Fund of the Republic of Kazakhstan.

The part of the National Fund of the Republic of Kazakhstan used for the implementation of the stabilization function shall be determined in the amount necessary to ensure a guaranteed transfer.

4. The National Fund of the Republic of Kazakhstan shall be placed in authorized financial instruments, with the exception of intangible assets, in order to ensure:

- 1) preservation of the National Fund of the Republic of Kazakhstan;
- 2) maintaining a sufficient level of liquidity of the National Fund of the Republic of Kazakhstan;
- 3) obtaining investment income in the long term.

The list of authorized financial instruments and transactions with them, with the exception of intangible assets, shall be determined by the Government of the Republic of Kazakhstan jointly with the National Bank of the Republic of Kazakhstan at the suggestion of the Council for the Management of the National Fund of the Republic of Kazakhstan.

5. Decisions on improving the efficiency of the formation and use of the National Fund of the Republic of Kazakhstan, as well as on the volume and areas of its use, are made by the President of the Republic of Kazakhstan.

6. Receipts to the National Fund of the Republic of Kazakhstan and spending of the National Fund of the Republic of Kazakhstan are carried out in national and foreign currencies.

7. Assets entering the National Fund of the Republic of Kazakhstan or withdrawn from the National Fund of the Republic of Kazakhstan shall be subject to conversion or reconversion in the manner prescribed by the National Bank of the Republic of Kazakhstan.

8. Accounting and reporting on operations of the National Fund of the Republic of Kazakhstan shall be carried out in national currency.

9. Trust management of the National Fund of the Republic of Kazakhstan shall be carried out by the National Bank of the Republic of Kazakhstan on the basis of a trust management agreement concluded between the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

The accounting and financial reporting procedure of the National Fund of the Republic of Kazakhstan shall be determined by the National Bank of the Republic of Kazakhstan.

The annual financial statements based on the results of trust management by the National Fund of the Republic of Kazakhstan shall be published in accordance with Article 40 of this Code.

10. The procedure for crediting assets to the National Fund of the Republic of Kazakhstan, the use of the National Fund of the Republic of Kazakhstan, as well as the forms and rules for compiling an annual report on the formation and use of the National Fund of the Republic of Kazakhstan shall be determined by the Government of the Republic of Kazakhstan.

**Article 58. Sources of formation of the National Fund of the Republic of Kazakhstan**

1. The sources of formation of the National Fund of the Republic of Kazakhstan shall be:

- 1) receipts to the National Fund of the Republic of Kazakhstan;
- 2) investment income from the management of the National Fund of the Republic of Kazakhstan;
- 3) other receipts and incomes not prohibited by the legislation of the Republic of Kazakhstan.

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

- 1) direct taxes from organizations of the oil sector (with the exception of taxes credited to local budgets), which shall include:
  - corporate income tax;
  - excise taxes on crude oil, gas condensate;
  - excess profit tax;
  - bonuses;
  - mineral extraction tax;
  - rental tax on exports;
  - share of the Republic of Kazakhstan in the division of products under concluded contracts

;

- alternative subsoil use tax;
- additional payment by the subsoil user operating under the production sharing contract.

The provision of this subparagraph shall not apply to direct tax receipts resulting from tax audits;

2) other revenues from operations carried out by organizations of the oil sector (with the exception of revenues credited to local budgets), including revenues for violations of the terms of oil contracts (with the exception of revenues credited to local budgets);

3) proceeds from the sale of agricultural land plots;

4) proceeds from the privatization of republican property;

5) proceeds from the transfer to the competitive environment of assets of national management holdings, national holdings, national companies and their subsidiaries, affiliates and other legal entities affiliated with them;

6) proceeds from the sale of assets by an organization specializing in improving the quality of credit portfolios of second-tier banks;

7) proceeds from the repayment of budget loans allocated from the republican budget through targeted transfers from the National Fund of the Republic of Kazakhstan until January 1, 2024.

3. Oil sector organizations shall include:

- 1) legal entities engaged in the production of crude oil and gas condensate;
- 2) legal entities that have concluded contracts for the exploration of crude oil and gas condensate;
- 3) the recipient on behalf of the state of minerals transferred by the subsoil user to fulfill the tax obligation in kind.

The list of organizations of the oil sector for the next fiscal year shall be approved in December of the current fiscal year jointly with the central authorized body for budget execution and the competent body implementing the state policy in the field of subsoil use, conclusion and execution of oil contracts.

4. Investment income from the management of the National Fund of the Republic of Kazakhstan shall be generated from the placement of the National Fund of the Republic of Kazakhstan in financial instruments, with the exception of intangible assets.

5. The adoption of legal acts in order to finance activities and projects with the condition of reimbursement of costs to organizations of the oil sector shall be prohibited.

#### **Article 59. Use of the National Fund of the Republic of Kazakhstan**

1. The National Fund of the Republic of Kazakhstan shall be spent:

- 1) in the form of a guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget;
- 2) in the form of targeted transfers transferred from the National Fund of the Republic of Kazakhstan to the republican budget;
- 3) in the form of payments of targeted claims and coverage of expenses for payment of banking services related to transfers, credits and payments of targeted savings;
- 4) to cover the costs associated with managing the National Fund of the Republic of Kazakhstan and conducting an annual audit.

2. Spending of the National Fund of the Republic of Kazakhstan shall be limited to:

target guidelines established by documents developed by the central authorized body for budget policy in accordance with part three of paragraph 1 of Article 47 of this Code;  
scope of target requirements.

3. The National Fund of the Republic of Kazakhstan cannot be used:

lending to individuals and legal entities;  
as security for debt obligations under government and non-government loans;  
placement in domestic financial instruments of Kazakhstan issuers;  
for financing and (or) co-financing current expenditures of the republican budget in the form of targeted transfers from the National Fund of the Republic of Kazakhstan, except for targeted transfers from the National Fund of the Republic of Kazakhstan directed to subsidizing loans attracted within the framework of the implementation of national projects.

The provisions of this paragraph shall not apply to the acquisition, at the expense of the National Fund of the Republic of Kazakhstan, of debt securities of the National Welfare Fund

and the national management holding created within the framework of measures to optimize the management system of development institutions, financial organizations and the development of the national economy, issued for the implementation of projects of national importance.

Projects of national significance proposed for financing from the National Fund of the Republic of Kazakhstan through the acquisition of debt securities of the National Welfare Fund and the national management holding created within the framework of measures to optimize the management system of development institutions, financial organizations and the development of the national economy, are subject to review for the availability of alternative sources of financing for such projects and examination in the manner determined and approved by the Government of the Republic of Kazakhstan.

Projects of national significance proposed for financing from the National Fund of the Republic of Kazakhstan through the acquisition of debt securities of the National Welfare Fund and the national management holding created within the framework of measures to optimize the management system of development institutions, financial organizations and the development of the national economy, with the results of the examination are subject to consideration by the Council for the Management of the National Fund of the Republic of Kazakhstan.

The list of projects of national significance implemented using funds from the National Fund of the Republic of Kazakhstan through the acquisition of debt securities of the National Welfare Fund and the national management holding created as part of measures to optimize the management system of development institutions, financial organizations and the development of the national economy shall be approved by a decree of the President of the Republic of Kazakhstan.

4. Monitoring of the targeted, legal and effective use of funds allocated from the National Fund of the Republic of Kazakhstan shall be carried out by the Commission for Monitoring the Expenditure of Funds Allocated from the National Fund of the Republic of Kazakhstan, created by decision of the President of the Republic of Kazakhstan.

The composition, position and procedure of the Commission for monitoring the revenue of funds allocated from the National Fund of the Republic of Kazakhstan shall be approved by the President of the Republic of Kazakhstan.

**Footnote. Article 59 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

**Article 60. Guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget**

1. The guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget shall be gratuitous and irrevocable receipts to the republican budget from the National Fund of the Republic of Kazakhstan.

2. The size of the guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget shall be determined by the central authorized body for budget policy in an absolute fixed value in accordance with the budget rule on the guaranteed transfer determined by Article 48 of this Code, and taking into account the proposal of the Council for the Management of the National Fund of the Republic of Kazakhstan.

The size of the guaranteed transfer from the National Fund of the Republic of Kazakhstan and the cut-off price shall be set in the forecast of the socio-economic development of the Republic of Kazakhstan.

The size of the guaranteed transfer from the National Fund of the Republic of Kazakhstan shall be approved by the Law on the republican budget.

3. The size of the attracted monthly volume of guaranteed transfer from the National Fund of the Republic of Kazakhstan to the republican budget shall be established by the state treasury in the manner determined by the Government of the Republic of Kazakhstan and agreed with the National Bank of the Republic of Kazakhstan.

#### **Article 61. Targeted transfers from the National Fund of the Republic of Kazakhstan to the republican budget**

1. Targeted transfers from the National Fund of the Republic of Kazakhstan are receipts to the republican budget from the National Fund of the Republic of Kazakhstan, directed by decision of the President of the Republic of Kazakhstan to finance critically important facilities and projects of national importance, determined in accordance with parts seven, eight and nine of paragraph 8 of Article 148 of this Code, in the absence of alternative sources of financing.

2. Projects in the areas specified in paragraph 1 of this Article and the amount of their financing shall be determined taking into account the proposal of the Council for the Management of the National Fund of the Republic of Kazakhstan and approved by the decree of the President of the Republic of Kazakhstan.

3. Targeted transfers from the National Fund of the Republic of Kazakhstan shall be used by budget program administrators only in accordance with their intended purpose.

4. The specifics of the use and reuse of budget funds allocated in the form of targeted transfers from the National Fund of the Republic of Kazakhstan shall be regulated by Article 115 of this Code.

5. Responsibility for the use of targeted transfers from the National Fund of the Republic of Kazakhstan shall be established by Article 41 of this Code.

**Footnote. Article 61 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 62. Target requirements and target accruals**

1. The target requirements shall be the obligations of the state to citizens of the Republic of Kazakhstan under the age of eighteen, accrued annually at the expense of fifty percent of

the investment income of the National Fund of the Republic of Kazakhstan averaged over the eighteen years preceding the reporting year.

2. To the target requirements of previous years, investment income averaged for the eighteen years preceding the reporting year shall be accrued annually.

3. Every year, part of the target requirements shall be transferred to target savings for payments to citizens of the Republic of Kazakhstan who have reached (reach) eighteen years of age in the current calendar year, have died or have been declared deceased by a judicial act that entered into legal force in the reporting year.

Payments of target savings shall be the amount of target savings paid from the target savings account to the recipient of target savings, as well as to heirs in the manner prescribed by the legislation of the Republic of Kazakhstan.

4. The procedure for the formation and accounting of target requirements, target savings and payments of target savings, as well as the calculation of target requirements shall be determined by the Government of the Republic of Kazakhstan.

### **Article 63. Peculiarities of consideration by the Council for the Management of the National Fund of the Republic of Kazakhstan of the use of the National Fund of the Republic of Kazakhstan**

The Council for the Management of the National Fund of the Republic of Kazakhstan shall consider the use of the National Fund of the Republic of Kazakhstan at face-to-face and (or) absentee meetings, taking into account:

- state of assets of the National Fund of the Republic of Kazakhstan;

- investment income of the National Fund of the Republic of Kazakhstan from the investment of accumulated financial assets;

- budget rule on guaranteed transfer;

- targets established by documents developed by the central authorized body for budget policy in accordance with part three of paragraph 1 of Article 47 of this Code;

- results of economic expertise of budget investments from the declared budget investments ;

- volumes of target requirements;

- the results of the examination of projects of national importance proposed for financing at the expense of the National Fund of the Republic of Kazakhstan through the acquisition of debt securities of the National Welfare Fund;

- results of monitoring the targeted, legal and effective use of funds allocated from the National Fund of the Republic of Kazakhstan.

### **Article 64. Preparation, submission and approval of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan**

1. In order to ensure transparency of activities related to the management of the National Fund of the Republic of Kazakhstan, an audit shall be carried out annually.



The selection of the audit organization shall be carried out on a competitive basis in the manner determined by the Government of the Republic of Kazakhstan.

The Government of the Republic of Kazakhstan shall ensure the organization of the annual audit of the National Fund of the Republic of Kazakhstan.

The audit results shall be published in accordance with Article 40 of this Code.

2. The annual report on the formation and use of the National Fund of the Republic of Kazakhstan is compiled by the Government of the Republic of Kazakhstan together with the National Bank of the Republic of Kazakhstan annually until May 1 of the year following the reporting financial year, including the results of the audit of the National Fund of the Republic of Kazakhstan.

3. The Government of the Republic of Kazakhstan together with the National Bank of the Republic of Kazakhstan annually, no later than June 1 of this year, shall submit an annual report on the formation and use of the National Fund of the Republic of Kazakhstan for approval to the President of the Republic of Kazakhstan.

4. The Government of the Republic of Kazakhstan, after approval by the President of the Republic of Kazakhstan of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan, shall submit it as information to the Parliament of the Republic of Kazakhstan.

5. The forms and procedure for drawing up an annual report on the formation and use of the National Fund of the Republic of Kazakhstan shall be approved by the Government of the Republic of Kazakhstan in agreement with the National Bank of the Republic of Kazakhstan.

6. The annual report on the formation and use of the National Fund of the Republic of Kazakhstan shall be subject to publication in accordance with Article 40 of this Code.

7. As part of the preparation of the annual report on the formation and use of the National Fund of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan shall generate information on the state of the assets of the National Fund of the Republic of Kazakhstan, on the investment income from investing accumulated financial assets, on the accrual of targeted claims and their payments, which shall be sent to the central authorized body for budget execution by April 1 of the year following the reporting year.

## **Chapter 13. EXTRA-BUDGETARY FUNDS OF THE REPUBLIC OF KAZAKHSTAN**

### **Article 65. General provisions on extra-budgetary funds of the Republic of Kazakhstan**

1. In the Republic of Kazakhstan, extra-budgetary funds shall be created, which must meet the following criteria shall:

have a strict target orientation;

be used to finance expenses not included in the budget;

funds be state property, not be included in budgets and other funds.

2. The activities of extra-budgetary funds be regulated by the legislation of the Republic of Kazakhstan.

3. The audit of extra-budgetary funds be carried out by the Supreme Audit Chamber of the Republic of Kazakhstan in accordance with the Law of the Republic of Kazakhstan "On state audit and financial control"

#### **Article 66. State social insurance fund**

1. The State social insurance fund shall be a legal entity that shall accumulate social contributions, assigns and shall make social payments to participants in the compulsory social insurance system for whom a case of social risk has occurred, including dependent family members in case of loss of a breadwinner.

2. Reporting on the activities of the State social insurance fund shall be carried out in the manner prescribed by the legislation of the Republic of Kazakhstan.

3. Information on forecast and actual receipts and expenditures of the State social insurance fund shall:

- be included in the consolidated budget;

- be included in the materials attached to the draft law on the republican budget;

- be included in the consolidated budget performance report;

- be included in the annual report on the execution of the republican budget;

- to be published in accordance with Article 40 of this Code.

#### **Article 67. Social health insurance fund**

1. The Social health insurance fund shall be a non-profit organization that shall accumulate deductions and contributions, as well as purchases and payments for the services of health care entities providing medical care in the volumes and on the terms provided for by the contract for the purchase of medical services, and other functions determined by the Laws of the Republic of Kazakhstan.

2. Reporting on the activities of the social health insurance fund be carried out in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting, the legislation of the Republic of Kazakhstan in the field of health.

3. The relationship of the social health insurance fund with the republican budget be carried out through transfers to legal entities.

The procedure for planning expenditures from the budget to the social health insurance fund by allocating transfers to legal entities, compiling reports on the use of budget funds, the form and timing of its submission, as well as the requirements for the information provided on the progress and results of the use of budget funds shall be developed and approved by the authorized body in the field of health care in agreement with the central authorized bodies for budget planning and budget execution.

4. Information on the projected and actual receipts and expenditures of the social health insurance fund shall:

- be included in the consolidated budget;

- be included in the materials attached to the draft law on the republican budget;

- be included in the consolidated budget performance report;

be included in the annual report on the execution of the republican budget;  
to be published in accordance with Article 40 of this Code.

#### **Article 68. Compensation fund of victims**

1. Compensation fund of victims - a cash control account opened in the state treasury to credit the proceeds of money and pay compensation to victims in the manner prescribed by the legislation of the Republic of Kazakhstan on the Compensation fund of victims.

2. Non-tax receipts to the Victims Compensation Fund shall be:

1) compulsory payments collected by the court;

2) monetary penalties imposed by the court for non-fulfillment of procedural duties provided for in Articles 71, 78, 80, 81, 82, 90, 142, 156 and 165 of the Criminal Procedure Code of the Republic of Kazakhstan, and violation of the order in the court session on the victim, witness, specialist, translator and other persons, with the exception of a lawyer, prosecutor and defendant;

3) monetary penalties from a convict in respect of whom a court conviction has entered into legal force and who has been sentenced to correctional labor;

4) money recovered in accordance with recourse claims in accordance with Article 11 of the Law of the Republic of Kazakhstan "On the Compensation fund of victims";

5) other sources not prohibited by the legislation of the Republic of Kazakhstan.

3. Information on actual income and expenditure of the Compensation fund of victims shall:

be included in the consolidated budget performance report;

be included in the annual report on the execution of the republican budget;

to be published in accordance with Article 40 of this Code.

#### **Article 69. Special state fund**

1. Special state fund - a control cash account opened in the state treasury in accordance with this Code, for crediting money receipts and spending them in order to finance social and economic projects of the Republic of Kazakhstan, as well as expenses of the authorized body for the return of illegally acquired assets in the manner determined by the legislation of the Republic of Kazakhstan.

It shall be allowed to send funds of the Special state fund to the republican budget in the form of a transfer free of charge and irrevocable.

2. Non-tax revenues to the Special state fund shall be:

1) money donated to state property from individuals and (or) legal entities for the purpose of the Special state fund;

2) money received into state property as a result of their confiscation on the basis of a judicial act entered into legal force issued on a corruption offense;

3) money received into state ownership from the sale of confiscated property on the basis of a judicial act that has entered into legal force, issued on a corruption offense;

4) money, including from the sale of property returned in the manner prescribed by the Law of the Republic of Kazakhstan "On the return of illegally acquired assets to the state" and other Laws of the Republic of Kazakhstan;

5) money from the sale of other property received by the management company or as a result of its asset management activities in accordance with the legislation of the Republic of Kazakhstan on the return of assets.

3. The first head of the budget program administrator shall bear the responsibility established by the Laws of the Republic of Kazakhstan in accordance with Article 41 of this Code.

4. Information on the actual receipts and expenditures of the Special state fund:  
be included in the consolidated budget performance report;  
be included in the annual report on the execution of the republican budget;  
to be published in accordance with Article 40 of this Code.

## **THE SPECIAL PART SECTION 4. DEVELOPMENT, REVIEW, APPROVAL, CLARIFICATION, ADJUSTMENT, SEQUESTRATION OF THE BUDGET Chapter 14. GENERAL PROVISIONS ON BUDGET PLANNING**

### **Article 70. General provisions on the basics of budget planning**

1. Budget planning is the implementation of a set of measures to develop, review, approve, clarify, adjust, and sequester the budget based on compliance with the principles of the budget system.

2. Budget revenue planning is carried out on the basis of the revenue forecast determined in accordance with Article 52 of this Code.

Budget revenues may be reflected in the form of the cost of goods (works, services) only upon receipt of related grants in the form of gratuitous technical assistance, as well as in cases provided for by an international treaty ratified by the Republic of Kazakhstan. At the same time, the expenditures should include a budget program (subprogram) in an amount equal to the cost of the goods (works, services) received.

3. Budget expenditure planning is based on the parameters of the socio-economic development of the Republic of Kazakhstan, the region, the city of republican significance, the capital for the relevant period, development plans of government agencies, development plans of regions, cities of republican significance, the capital, forecast consolidated statements of administrators of budget programs, natural norms, minimum social standards, standards of engineering, communication, transport and other infrastructure, a system of regional standards for settlements, taking into account the cost review, the results of the state audit and financial control, monitoring and evaluation of the results carried out in accordance with Articles 43, 44, 45 and 46 of this Code.

When planning the local budget, citizens' participation in the allocation of budget funds (the budget of public participation) is ensured.

The procedure for implementing the budget of public participation is determined by the central authorized body for budget planning.

Natural norms represent natural indicators of consumption or use of necessary tangible or intangible goods.

Natural norms are developed and approved by central government agencies in coordination with the central authorized body for budget planning, unless otherwise provided by the legislation of the Republic of Kazakhstan.

The provisions of the natural norms approved by the central state bodies apply to local executive bodies.

It is allowed for local executive bodies to develop natural norms for expenditures that are not regulated by the natural norms of central government bodies, in coordination with the central sectoral government bodies in charge of the relevant area (sphere) and the local authorized body for state planning.

Natural norms for subordinate organizations funded from the local budget are developed and approved by local executive bodies in coordination with the local authorized body for state planning.

The procedure for the development of natural norms is determined by the central authorized body for budget planning.

Minimum standards – the minimum amount of services, cash payments and other requirements established by the laws of the Republic of Kazakhstan, ensuring the implementation of guarantees and rights.

Minimum standards are developed with mandatory application of minimum network standards.

Minimum social standards are determined by the legislation of the Republic of Kazakhstan.

Minimum standards for engineering, communication, and transport infrastructures are developed and approved by the relevant central sectoral government agencies.

The system of regional standards for settlements is developed by the central authorized body for regional policy and approved by the Government of the Republic of Kazakhstan.

The procedure for developing a system of regional standards for settlements and the procedure for its monitoring are developed by the central authorized body for regional policy.

4. The organization of budget planning and coordination of the activities of administrators of budget programs and authorized budget planning bodies are entrusted to the central authorized body for budget planning and the relevant local authorized bodies for state planning.

5. The central authorized body for budget planning and the relevant local authorized bodies for state planning shall ensure the balance of the respective budgets.

6. Planning of expenditures of the republican and (or) local budgets for the implementation of decrees of the President of the Republic of Kazakhstan, resolutions of the

Government of the Republic of Kazakhstan, regulatory orders of ministers of the Republic of Kazakhstan and other heads of central government bodies, regulatory resolutions of central government bodies, decisions of local representative bodies, acts of local executive bodies adopted in the current fiscal year related to education and the abolition of administrative-territorial units, the establishment and modification of their borders, names and renaming are carried out within the framework of the formation of projects of the republican and (or) local budgets for the next planning period.

Expenses related to the fulfillment of state obligations are planned in compliance with the requirements established by Articles 148 and 149 of this Code, are necessarily financed during the formation, clarification, and adjustment of the budget and are not subject to sequestration.

7. The procedure for budget planning is determined by the central authorized body for budget planning.

8. The main stages of budget planning are:

determining the limits of expenditures of administrators of budget programs and disseminating them to administrators of budget programs;

development of natural norms;

preparation and submission of a budget request; development of republican and local budget projects;

clarification, sequestration, and adjustment of budget.

#### **Article 71. Budget planning process**

1. The procedures of the budget planning process include:

1) determination of the republican budget revenues by categories, classes, and subclasses of the unified budget classification by the central authorized body for budgetary policy and referral to the central authorized body for budget planning;

determination of the revenues of the regional budget, the budget of the city of republican significance, the capital, the district (town of regional significance) budget by categories, classes, and subclasses of the unified budget classification by the local authorized body for state planning;

determination of budget revenues of a town of district significance, village, settlement, rural district by categories, classes, and subclasses of the unified budget classification by the office of the akim of a town of district significance, village, settlement, rural district and referral to the local authorized body for state planning of the relevant district (town of regional significance);

2) determination by the central authorized body for budget planning or local authorized bodies for state planning of expenditure limits for administrators of budget programs and their dissemination to administrators of budget programs;

3) preparation of a budget request by the administrator of the budget program;

4) submission of a budget request by the administrator of the budget program to the central authorized body for budget planning or the local authorized body for state planning;

5) submission by the administrator of the republican budget program, who is developing a development plan for a government agency, of passports of budget programs for consideration by the central authorized body for budget policy;

6) consideration by the central authorized body for budget planning or the local authorized body for state planning of budget requests from administrators of budget programs, analysis of compliance with the limits and requirements of this Code;

7) taking measures by the central authorized body for budget planning or the local authorized body for state planning to eliminate discrepancies between the established limit and the budget request and forming an opinion on the budget request of the administrator of budget programs;

8) submission by the central authorized body for budget planning or the local authorized body for state planning to the relevant budget commission of conclusions on budget requests from administrators of budget programs and development by the relevant budget commission of recommendations on them and, if necessary, revision;

9) the formation by the central authorized body for budget planning or the local authorized body for state planning on the basis of recommendations from the relevant budget commission of aggregated summary information on budget program passports;

10) development by the central authorized body for budget planning or the relevant local authorized body for state planning of a draft law on the republican budget, a draft decision of the maslikhat on the regional budget, on the budget of the city of republican significance, the capital, the district (town of regional significance) budget, the budget of the town of district significance, village, settlement, rural district;

11) submission by the central authorized body for budget planning of the draft republican budget to the Government of the Republic of Kazakhstan, the Supreme Audit Chamber of the Republic of Kazakhstan;

**Footnote. Subparagraph 12) of Article 71 enters into force on 01.01.2028 in accordance with subparagraph 3) of paragraph 1 of Article 172 of this Code.**

12) submission by the relevant local authorized body for state planning of a draft of the relevant local budget to the akimat, the audit commission of the region, the city of republican significance, the capital;

13) submission by the Government of the Republic of Kazakhstan or the akimat of draft relevant budgets to the Parliament of the Republic of Kazakhstan or the maslikhat;

14) approval by the Parliament of the Republic of Kazakhstan or the relevant maslikhat of the law on the republican budget or the decision of the maslikhat on the local budget;

15) preparation by the administrator of the budget program of budget requests with calculations up to the level of specifics of the economic classification of budget expenditures for the formation of financing plans.

2. When planning the budget, the forecast consolidated financial statements are formed.
3. General transfers and target transfers are planned and included in the draft budget in accordance with Chapter 15 of this Code.
4. The amount of the guaranteed transfer from the National Fund of the Republic of Kazakhstan is planned and included in the draft budget in accordance with Article 60 of this Code.
5. The amount of the target transfer from the National Fund of the Republic of Kazakhstan is planned and included in the draft budget in accordance with Article 61 of this Code.
6. Loan repayment and servicing volumes are projected and included in the draft budget in accordance with Chapter 28 of this Code.
7. State investment projects are planned and included in the draft budget in accordance with Chapter 29 of this Code.

The selection of state investment projects is carried out in compliance with the requirements established by Article 148 of this Code.
8. Budget loans are planned and included in the draft budget in accordance with Chapter 30 of this Code.
9. In the process of budget execution, budget clarification, adjustment, and sequestration may be carried out in accordance with Chapters 18 and 19 of this Code.
10. In cases of a state of emergency or martial law in the Republic of Kazakhstan, an emergency state budget is developed in accordance with Chapter 20 of this Code.
11. The procedures for developing and reviewing the documents specified in paragraph 1 of this Article shall be carried out in accordance with the budget legislation of the Republic of Kazakhstan and in compliance with the requirements established by paragraphs 1, 2 and 3 of Article 70 of this Code.

## **Article 72. Preparation of forecast consolidated financial statements**

1. Forecast consolidated financial statements are information related to macroeconomic indicators on the financial position, movements and results of net assets, liabilities, income and expenses on an accrual basis, based on budgetary and financial statements.
2. Forecast consolidated financial statements include:
  - 1) forecast consolidated statement of financial position;
  - 2) forecast consolidated statement of financial performance;
  - 3) forecast consolidated statement of cash flow;
  - 4) forecast consolidated statement of changes in net assets (capital);
  - 5) an explanatory note.
3. In order to generate the forecast consolidated financial statements for the republican budget, the forecast consolidated financial statements are submitted by the administrators of budget programs to the central authorized body for budget planning simultaneously with the budget request.



In order to generate forecast consolidated financial statements for the regional budget, the budget of the city of republican significance, and the capital, the forecast consolidated financial statements are submitted by the administrators of budget programs to the local authorized state planning body simultaneously with the budget request.

The budget program administrator ensures the completeness and reliability of the information and calculations contained in the forecast consolidated financial statements.

The forecast consolidated financial statements of the administrators of budget programs are reviewed simultaneously with the budget request for the next planning period to justify the amount of expenses.

4. When forming forecast consolidated financial statements for the republican budget or the regional budget, the budget of the city of republican significance, the capital, the central authorized body for budget planning or the local authorized body for state planning ensures compliance with the assessment and forecast of budget parameters for the planning period.

The budget parameters for the three-year period include a forecast of income and expenses, the financial result of the corresponding budget, taking into account the following indicators:

- the result of operating activities;
- the result of operating activities (non-oil);
- net lending (borrowing);
- total budget balance;
- total budget balance (non-oil);
- money surplus (deficit);
- total money surplus (deficit);
- total surplus (deficit) of money (non-oil);
- debt;
- pure debt.

5. The forecast consolidated financial statements for the republican budget are presented as part of the draft law on the republican budget.

The forecast consolidated financial statements for the regional budget, the budget of the city of republican significance, the capital are presented as part of the draft decision of the maslikhat on the regional budget, on the budget of the city of republican significance, the capital.

6. The forecast consolidated financial statements for the republican budget or the regional budget, the budget of the city of republican significance, the capital are drawn up in the order determined by the central authorized body for budget planning.

7. The procedure for preparing the forecast consolidated financial statements of the administrator of budget programs is determined by the central authorized body for budget planning.

## **Article 73. The process of reviewing draft regulatory legal acts affecting budget revenues and expenditures**

1. Draft laws providing for a reduction in government revenues or an increase in government expenditures may be submitted to the Mazhilis of the Parliament of the Republic of Kazakhstan only if there is a positive opinion from the Government of the Republic of Kazakhstan. The conclusion of the Government of the Republic of Kazakhstan on draft laws providing for a reduction in revenues or an increase in expenditures of the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan is formed taking into account the recommendations of the Republican Budget Commission.

Such an opinion is not required for draft legislative acts submitted to the Mazhilis of the Parliament of the Republic of Kazakhstan as a legislative initiative of the President of the Republic of Kazakhstan.

The requirement to obtain a positive opinion from the Government of the Republic of Kazakhstan also applies to the process of consideration of draft laws in the Parliament of the Republic of Kazakhstan, with the exception of draft laws on the republican budget, on the volume of general transfers between the republican and regional budgets, budgets of cities of republican significance, the capital and on amendments and additions to the law on the republican budget.

Provisions of draft decrees of the President of the Republic of Kazakhstan, resolutions of the Government of the Republic of Kazakhstan, normative legal orders of ministers of the Republic of Kazakhstan and other heads of central state bodies, normative legal resolutions of central state bodies, normative legal orders of heads of departments of central state bodies, if there is direct competence for their approval in the normative legal acts of the state body, the structure of which includes the agency, providing for a reduction in revenues or an increase in expenditures of the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan are subject to mandatory consideration by the Republican budget commission.

2. When submitting draft normative legal acts for consideration by the Republican budget commission, the materials shall be accompanied by:

for draft regulatory legal acts providing for an increase in expenditures of the republican and (or) local budgets, including for projects whose implementation is proposed by increasing , reducing and (or) redistributing expenditures of the relevant budget, - financial and economic calculations and justifications of the relevant administrator of budget programs indicating the sources of financing;

for draft regulatory legal acts providing for a reduction in revenues of the republican or local budget, the National Fund of the Republic of Kazakhstan, - calculations and justifications for losses of the republican or local budget, the National Fund of the Republic of Kazakhstan, formed in accordance with the procedure established by the tax legislation of the Republic of Kazakhstan;

for draft regulatory legal acts providing for a reduction in revenues or an increase in expenditures of the republican and (or) local budgets in connection with the endowment of state bodies with additional functions, powers and competencies, – the results of a functional analysis of activities conducted in accordance with the legislation of the Republic of Kazakhstan on administrative procedures, and the conclusion of the authorized body in the field of development of the public administration system on functional analysis of the activities of the budget program administrator;

for draft regulatory legal acts providing for an increase in local budget expenditures, - the conclusion of the relevant local budget commission.

**Footnote. Part 2 of paragraph 2 of Article 73 enters into force on 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

When considering draft regulatory legal acts, an analytical report on tax expenditures, compiled in accordance with Article 54 of this Code, is used.

Consideration of draft regulatory legal acts providing for a reduction in revenues of the republican and (or) local budgets is carried out taking into account the allocation of expenses in accordance with Article 29 of this Code and the need to transfer target current transfers in accordance with paragraph 2 of Article 83 of this Code.

3. Draft decisions of local representative bodies envisaging a reduction in local budget revenues or an increase in local budget expenditures may be submitted to maslikhats only if there is a positive opinion from the akim. The akim's conclusion is formed taking into account the recommendations of the relevant budget commission.

The provisions of draft acts of local executive bodies providing for an increase in local budget expenditures are subject to mandatory review by the relevant budget commission.

The provisions specified in part two of this paragraph may be put into effect no earlier than the next financial year if there is a positive opinion of the akim, taking into account the recommendations of the relevant budget commission.

4. For acts specified in paragraphs 1 and 3 of this Article providing for a reduction in income in the form of administrative fines, penalties, sanctions, penalties imposed by state institutions funded from the republican or local budgets, as well as those contained and financed from the budget (cost estimates) of the National Bank of the Republic of Kazakhstan, and (or) fines, penalties, sanctions, penalties on budget loans (loans) issued from the budget, and other non-forecast non-tax revenues to the republican and local budgets and (or) the National Fund of the Republic of Kazakhstan, the presence of an appropriate conclusion is not required.

#### **Article 74. Limits of expenses of administrators of budget programs and the procedure for their determination**

1. The expenditure limit of the administrator of budget programs is the preliminary maximum annual amount of expenditures of the administrator of budget programs,

determined in compliance with the requirements established by paragraph 3 of Article 70 of this Code.

2. The limits of expenditures of administrators of budget programs are determined for the formation of budget programs based on development plans or draft development plans of state bodies or regions, cities of republican significance, the capital, functions, powers and competencies defined by the regulations on the state body, the results of monitoring and evaluation of results conducted in accordance with Articles 45 and 46 of this Code.

3. The limits of expenditures of administrators of republican budget programs are determined by the central authorized body for budget planning, taking into account the recommendations of administrators of republican budget programs and the volume of general transfers for the upcoming three-year period, determined by the central authorized body for budget policy in accordance with Article 80 of this Code.

4. The limits of expenditures of administrators of local budget programs are determined by local authorized bodies for state planning, with the exception of the limits of expenditures of administrators of budget programs financed from the budgets of towns of regional significance, villages, settlements, rural districts, which are determined by local authorized bodies for state planning of districts (towns of regional significance), taking into account the recommendations of administrators of local budget programs.

5. The following mandatory expenditure blocks are defined as part of the expenditure limit of the administrator of republican budget programs:

1) unconditional basic expenses of a permanent nature, including current administrative expenses of administrators of budget programs and other expenses of the approved (clarified, adjusted) republican budget for the current financial year, according to the list formed by the central authorized body for budget planning;

2) expenses for new initiatives aimed at financing new areas of expenditure that have positive recommendations from the relevant budget commission in accordance with Article 73 of this Code;

3) an increase in unconditional basic expenditures that is not related to changes in macroeconomic and social indicators and providing for additional areas of budget spending (expanding the scope of government functions, powers, competencies and public services provided) within the framework of existing budget programs;

4) reserve for initiatives of the President of the Republic of Kazakhstan and reserve of the Government of the Republic of Kazakhstan.

6. Limits of expenses of administrators of republican budget programs referred to in subparagraph 1) of paragraph 5 of this Article:

are established once every three years for the planned period, broken down by year, as a percentage of the average annual volume of expenditures of the republican budget, determined taking into account expenditures for the last three reporting financial years, and expenditures provided for by the approved (clarified) budget of the current financial year,

taking into account the annual indexation provided for by legislative acts of the Republic of Kazakhstan;

for administrators of republican budget programs who do not have target indicators, - are determined on the basis of the functions, powers and competencies established by the legislation of the Republic of Kazakhstan;

are determined with the mandatory review of expenses in accordance with Article 43 of this Code;

are reflected in the aggregated summary information on the budget program passports of the budget program administrator without the right to change during the planned period.

The limits of expenditures referred to in subparagraph 1) of paragraph 5 of this Article, determined taking into account the recommendation of the Republican budget commission, shall be communicated to the administrators of republican budget programs before June 7 of the year of the end of the current limits of expenditures of administrators of republican budget programs.

The expenditure limit of the administrator of republican budget programs referred to in subparagraph 1) of paragraph 5 of this Article for the year following the planned period is determined by indexing, as provided for by legislative acts of the Republic of Kazakhstan, the unconditional basic expenses of a permanent nature of this administrator of republican budget programs approved (clarified, adjusted) in the budget of the current financial year.

7. The limits of expenditures of administrators of republican budget programs referred to in subparagraphs 2) and 3) of paragraph 5 of this Article shall be established annually on a rolling basis for the planned period based on the growth rates of republican budget expenditures determined in accordance with parts four, five and six of paragraph 2 of Article 48 of this Code, taking into account the recommendations of the Republican budget commission.

8. The limits of expenditures of administrators of republican budget programs for expenditures referred to in subparagraph 4) of paragraph 5 of this Article shall be determined in accordance with Articles 19 and 20 of this Code.

9. The following mandatory expenditure blocks shall be determined as part of the expenditure limit of the administrator of local budget programs:

1) unconditional basic expenses of a permanent nature, including current administrative expenses of administrators of budget programs and other expenses of the approved (clarified, adjusted) relevant local budget for the current financial year, according to the list formed by the relevant local authorized body for state planning;

2) expenses for new initiatives aimed at financing new areas of expenditure that have positive recommendations from the relevant budget commission, in accordance with Article 73 of this Code;

3) an increase in unconditional basic expenditures that is not related to changes in macroeconomic and social indicators and providing for additional areas of budget spending (

expanding the scope of government functions, powers, competencies and public services provided) within the framework of existing budget programs;

4) reserve of the local executive body.

10. Limits of expenses of administrators of local budget programs for expenses related to subparagraph 1) of paragraph 9 of this Article:

are established once every three years for the planned period, broken down by year, as a percentage of the average annual volume of local budget expenditures, determined taking into account expenditures for the last three reporting financial years, and expenditures provided for in the approved (clarified) budget of the current financial year, taking into account annual indexation provided for by legislative acts of the Republic of Kazakhstan;

for administrators of local budget programs who do not have target indicators, - are determined on the basis of functions, powers and competencies established by the legislation of the Republic of Kazakhstan;

are determined with the mandatory review of expenses in accordance with Article 46 of this Code;

are reflected in the aggregated summary information about the budget program passports of the budget program administrator.

The limits on expenditures referred to in subparagraph 1) of paragraph 9 of this article, determined taking into account the recommendation of the relevant budget commission, shall be communicated to the administrators of budget programs before June 7 of the year of the end of the current limits on expenditures of administrators of local budget programs.

The limit of expenses of the administrator of local budget programs referred to in subparagraph 1) of paragraph 9 of this Article for the year following the planned period is determined by indexing, as provided for by legislative acts of the Republic of Kazakhstan, the unconditional basic expenses of the permanent nature of this administrator of local budget programs approved (clarified, adjusted) in the budget of the current financial year.

11. The limits of expenditures of administrators of local budget programs for expenditures referred to in subparagraphs 2) and 3) of paragraph 9 of this Article are established annually on a rolling basis for the planned period, taking into account the recommendations of the relevant budget commission.

12. The limits of expenditures of administrators of local budget programs for expenditures referred to in subparagraph 4) of paragraph 9 of this Article shall be determined in accordance with Article 20 of this Code.

13. The limits of expenses are determined for each administrator of budget programs.

14. The procedure for determining and communicating the limits of expenditures of administrators of budget programs is approved by the central authorized body for budget planning.

## **Article 75. Budget request of the administrator of budget programs and the procedure for its consideration**

1. Budget request from the administrator of budget program – budget documentation of the administrator of budget programs, disclosing the activities of the state body to ensure the implementation of functions, powers and competencies, achieving the relevant goal of the development plan or draft development plan of the state body, the development plan of the region, the city of republican significance, the capital and indicators of results or the implementation of target indicators of documents of the state planning System of the Republic of Kazakhstan, compiled by the administrator of budget programs for the next planned period to justify the amount of expenses.

2. The budget request of the administrator of budget programs is developed by the administrator of budget programs annually for the planned period and consists of the following documents:

1) a passport of the activities of the administrator of budget programs, containing the following for the planned period:

information on the content and main directions of state policy in the supervised industry (area);

the regulatory legal basis for the activities of the administrator of budget programs;

information about the goals and target indicators of the activities of the administrator of budget programs or functions, powers and competencies;

the list of documents of the state planning System of the Republic of Kazakhstan, according to which the administrator of budget programs is the responsible officer or associate officer, indicating the expected results of activities;

a brief description of the planned expenditures for the implementation of functions, powers, competencies or documents of the state planning System of the Republic of Kazakhstan;

2) the aggregated summary information on budget program passports containing general information about budget programs of the budget program administrator:

limits of expenses of the budget program administrator for the blocks established by paragraphs 5 and 10 of Article 74 of this Code;

total number of budget programs, target indicators and final results;

interconnection with the provided budgetary funds;

3) an approved development plan or a draft development plan for a government agency (for administrators of budget programs who develop a development plan for government agencies);

4) passports of budget programs;

5) calculations.

3. The budget program passport of the budget program administrator is developed on the basis of and within the limits of expenditures and must contain:

a description (justification), the current status of the budget program;

the purpose of the budget program;

target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, or target indicators of documents of the state planning System of the Republic of Kazakhstan (for budget programs of administrators of republican budget programs that do not develop the development plans of a state body), for the implementation of which the budget program is aimed;

the code and name of the function (s) of the state body in accordance with the register of functions of state bodies;

the code and name of the public service in accordance with the register of public services;

indicators of the final results of the budget program (subprogram), activities indicating the amount of expenses.

The passports of budget programs containing expenditures carried out by quasi-public sector entities shall be accompanied by development plans or draft development plans or action plans of quasi-public sector entities and the results of budget monitoring conducted in accordance with Article 119 of this Code.

The investment plan of the state body developed in accordance with paragraph 8 of Article 148 of this Code shall be attached to the passports of budget programs of administrators of budget programs who do not develop the development plans.

4. The budget program may be divided into subprograms specifying the directions of budget expenditures.

5. Expenses for new initiatives are included in the budget program (subprogram) on the basis of a positive recommendation from the budget commission in accordance with Article 73 of this Code.

6. Calculations are made for budget programs – a set of documents and materials to justify the amount of expenses.

7. Calculations are made taking into account the need to direct expenditures to achieve the final results of the passports of budget programs and (or) target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital.

Calculations for the budget program of the budget program administrator, who does not develop a development plan for a government agency, are made taking into account the sufficiency of ensuring the implementation of the functions, powers and competencies of the budget program administrator.

For unconditional basic expenses of a permanent nature, full calculations are made and submitted in the year of completion of the current limits for unconditional basic expenses of a permanent nature.

For the second and third years of the planned period, calculations are made and submitted for all expenses, with the exception of:



calculations for unconditional basic expenses of a permanent nature;

calculations that do not change in comparison with the amount approved (clarified) for these programs in the law on the republican budget or the decision of the maslikhat on the local budget.

Calculations for these budget programs are made only in the third year.

Calculations are made taking into account the database of prices for goods, works, and services, formed in accordance with the legislation of the Republic of Kazakhstan on public procurement.

If the administrator of budget programs in the budget program offers to develop or make amendments and additions to regulatory legal acts requiring additional expenditures or reduction of budget revenues, then a draft of the relevant regulatory legal act is submitted simultaneously with the budget program.

8. When developing a budget program passport, the following requirements must be observed:

it is necessary to focus on achieving the relevant goals and target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, or on the implementation of functions, powers and competencies;

the amount of expenditures is provided taking into account the need to achieve the goals and target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, target indicators of documents of the state planning System of the Republic of Kazakhstan (for passports of budget programs of administrators of republican budget programs that do not develop the development plans of a state body) or the need to implement functions, powers and competencies;

the results of monitoring carried out in accordance with Article 45 of this Code are applied;

the formulations of the final results and their indicators should characterize the degree of achievement of the goals and (or) target indicators of the approved development plan or draft development plan of the region, city of republican significance, capital, target indicators of documents of the state planning System of the Republic of Kazakhstan (for passports of budget programs of administrators of republican budget programs that do not develop the development plans of the state body) or the degree of implementation of the functions, powers and competencies;

the final results and their indicators should determine the degree of achievement of the target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, target indicators of documents of the state planning System of the Republic of Kazakhstan (for passports of budget programs of administrators of republican budget programs that do not develop the development plans of a state body) using the planned expenditure volumes;

the realism of the final results is taken into account based on the volume of planned expenditures and indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, target indicators of documents of the state planning System of the Republic of Kazakhstan (for passports of budget programs of administrators of republican budget programs that do not develop the development plans of a state body);

activities should cover the entire volume of planned expenses;

realistic calculations are ensured.

9. In case of insufficient budget funds provided for by the relevant budget program to achieve the target indicators of the approved development plan or draft development plan of a state body, region, city of republican significance, capital, target indicators of documents of the state planning System of the Republic of Kazakhstan (for budget programs of administrators of republican budget programs that do not develop the development plans of a state body), the difference in the amount, necessary to achieve the target indicator, and the amount, provided for in the passport of the budget program to achieve the final result (final results), is not a violation of the budget legislation of the Republic of Kazakhstan.

The reasons for the discrepancy between the target indicators and the final results are indicated in the description of the budget program.

10. The budget request of the administrator of republican budget programs is reviewed by the departmental budget commission for compliance with the requirements of paragraphs 1-8 of this Article.

11. The budget request of the administrator of republican budget programs for the next planned period, having a positive recommendation from the departmental budget commission, is signed and submitted within ten working days from the date of bringing the expenditure limits to the central authorized body for budget planning.

The budget request of the administrator of local budget programs for the next planned period is signed and submitted within ten working days from the date of bringing the expenditure limits:

by the administrators of regional budget programs, budget programs of cities of republican significance, the capital, district (towns of regional significance) budget programs – to the relevant local authorized body for state planning;

by administrators of budget programs of villages, settlements, rural districts – to local authorized bodies for state planning of districts (towns of regional significance).

12. The passport of the budget program of the administrator of republican budget programs for the next planned period, which has a positive recommendation from the departmental budget commission, is signed and submitted within ten working days from the date of bringing the expenditure limits to the central authorized body for state planning to form a list of target indicators and final results of budget program passports in the context of budget program administrators and conclusions based on the results of consideration of the

correctness of the choice of the final results, whether the final results provided for in the budget program passports are interconnected with the target indicators of the development plan or the draft development plan of a government agency.

The conclusion of the central authorized body for state planning to the budget program passports of the budget program administrator is formed taking into account the results of the assessment of the effectiveness of government agencies in achieving the goals of the development plans of government agencies and in achieving the results of the budget program passports, as well as indicating the priority of goals and target indicators for budget program passports of budget program administrators who do not develop the development plans.

The list of target indicators and final results of budget program passports in the context of budget program administrators and the conclusions of the central authorized body for state planning to the budget program passports of budget program administrators are sent no later than July 5 of the current fiscal year to the central authorized body for budget planning.

13. The central authorized body for budget planning, taking into account the conclusions of the central authorized body for state planning on the development plans of state bodies formed in accordance with Article 35 of this Code, and the passports of budget programs of budget program administrators who develop the development plans for state bodies, the results of budget execution analysis, monitoring conducted in accordance with Article 45 of this Code, the results of the budget review of expenditures conducted in accordance with Article 43 of this Code, considers the budget request of the administrator of republican budget programs, who develops a development plan for a government agency, for compliance with:

- budget and other legislation of the Republic of Kazakhstan, forecast of socio-economic development;

- functions, powers and competencies;

- activities of budget program passports with final results of budget program passports;

- the amount of planned budget funds.

14. Local authorized body for state planning:

- examines the budget program passports of the budget program administrator for the correctness of the choice of final results, whether the final results provided for in the budget program passports are interrelated with the target indicators of the regional development plan, the city of republican significance, and the capital, and forms, taking into account the results of budget execution analysis, monitoring conducted in accordance with Article 45 of this Code, and the results of the budget review of expenditures conducted in accordance with Article 43 of this Code, conclusions of the central authorized body for regional policy on the development plan of the region, the city of republican significance, the capital, drawn up in accordance with Article 37 of this Code, and the actual development plan of the region, the city of republican significance, the capital, the list of target indicators and final results of passports of budget programs in the context of administrators of budget programs and conclusions to the passports of administrators of local budget programs;

examines the budget request of the administrator of local budget programs for:

compliance with the budget and other legislation of the Republic of Kazakhstan, the forecast of socio-economic development of the region, the city of republican significance, the capital;

compliance with functions, powers and competencies;

the correctness of the choice of final results;

whether the final results provided for in the passports of budget programs are interconnected with the target indicators of the approved development plan or the draft development plan of the region, the city of republican significance, the capital;

realistic and achievable end results;

compliance of the activities of the passports of budget programs with the final results;

compliance of the activities of the passports of budget programs with the volume of planned budget funds.

15. When considering budget requests from the administrator of budget programs, compliance with the requirements provided for in paragraphs 1-8 of this article is taken into account, the completeness of the budget program passport and the validity of calculations are checked.

16. The central authorized body for budget planning and (or) the relevant local authorized body for state planning, based on the results of consideration of budget requests from administrators of budget programs, form conclusions and submit them to the relevant budget commission for consideration.

In case of insufficient budget funds to achieve the target indicators of the approved development plan or the draft development plan of a state body, region, city of republican significance, the capital, for the difference between the amount necessary to achieve the target indicator and the amount provided for in the passport of the budget program to achieve the final result (final results), the conclusion of the central authorized body for budget planning and (or) the relevant local authorized body for state planning determines the list of expenses, including the government investment projects for which the allocation of budget funds is not possible in the planned period.

17. The budget request of the Supreme audit chamber of the Republic of Kazakhstan and the Administration of the President of the Republic of Kazakhstan is sent for consideration to the central authorized body for budget planning, which prepares an opinion on it and includes it in the draft republican budget without making changes.

The budget request of the audit commissions is sent for consideration to the local authorized body for state planning, which prepares an opinion on it and includes it in the draft local budget without making changes.

18. The relevant budget commission shall consider the materials specified in paragraph 16 of this article and develop recommendations on them.

In the year of planning transfers of a general nature, if the Republican budget commission has developed a recommendation to transfer individual expenditures to the local budget, the central authorized body for budget planning forms a list of relevant budget programs (subprograms) in the context of regions, cities of republican significance, the capital, indicating the amounts of expenditures for a three-year period and sends it to the central authorized body for the budget policy for inclusion in the volume of target transfers of a general nature.

19. The central authorized body for budget planning and the local authorized body for state planning, based on recommendations from the relevant budget commission, shall form the aggregated summary information on the budget program passports of the administrators of the budget programs of the relevant budget, containing quantitative information on goals, target indicators and final results, the degree of their achievement and the relationship with the provided budgetary funds.

20. The budget request shall be brought into line with the law on the republican budget or the decision of the maslikhat on the local budget, signed by the first head of the administrator of budget programs and the head of the budget program and submitted to the central authorized body for budget planning or the local authorized body for state planning no later than December 30 of the year preceding the planned period.

21. The budget program manager is an official of the budget program administrator who ensures the planning and execution of the budget program.

The manager of the budget program provides:

preparation of the budget program passport;

validity and completeness of the budget program passport;

reliability of calculations for the budget program (subprogram);

compliance with the requirements set out in paragraphs 1-8 of this Article;

effective use of budget funds in accordance with the activities and final results in the process of implementing the budget program (subprogram);

the reliability and completeness of the report of budget program implementation.

The manager of the budget program bears responsibility provided for by the laws of the Republic of Kazakhstan, in accordance with Article 41 of this Code.

22. Passports of budget programs, the aggregated summary information on passports of budget programs of administrators of budget programs are subject to publication in accordance with Article 40 of this Code.

23. The procedure for drafting, submitting, and reviewing a budget request is determined by the central authorized body for budget planning.

## **Chapter 15. INTER-BUDGETARY RELATIONS**

### **Article 76. General provisions on inter-budgetary relations**

1. Inter-budgetary relations are relations between budgets of different levels based on a clear delineation of functions, powers and competencies between levels of government management, transparent distribution of revenues and expenditures.

2. The following relationships are not allowed between:

the republican budget and district (cities of regional significance) budgets, budgets of towns of district significance, villages, settlements, rural districts;

regional budgets with budgets of towns of district importance, villages, settlements, rural districts;

local budgets of the same level with each other, except for the cases provided for in paragraph 3 of this Article.

3. By decision of the Government of the Republic of Kazakhstan, relationships of local budgets of the same level with each other are allowed:

in case of emergency situations threatening the political, economic and social stability of an administrative-territorial unit, the life and health of people, at the request of the akims of regions, cities of republican significance, the capital;

in case of formation and (or) abolition of administrative-territorial units, establishment of their borders, names and renaming.

Relationships of local budgets of the same level with each other are allowed:

on behalf of the President of the Republic of Kazakhstan;

when jointly resolving issues of local importance on the territory of an agglomeration at the request of the akims of regions, cities of republican significance, the capital, districts (towns of district significance) in accordance with the legislation of the Republic of Kazakhstan on the development of agglomerations.

4. It is not allowed to interfere, except for the cases provided for by this Code:

the Government of the Republic of Kazakhstan and central state bodies in the budget process of regions, cities of republican significance, the capital;

local executive bodies of regions in the budget process of districts (towns of regional significance);

local executive bodies of districts (towns of regional significance) in the budget process of towns of district significance, villages, settlements, and rural districts.

It is not allowed to withdraw income additionally received during the execution of local budgets to a higher budget, except in cases provided for by this Code.

## **Article 77. Forms of regulation of inter-budgetary relations**

1. Inter-budgetary relations are regulated between budget levels through:

transfers;

budget loans;

income distribution standards.

2. Transfers between budget levels are payments from one budget level to another.

Transfers between budget levels are divided into general transfers, including targeted and non-targeted, targeted current transfers, and targeted development transfers.

3. Budget loans are provided to local budgets for:  
implementation of budget investment projects;  
solving socio-economic problems of the region's development;  
covering the projected cash shortfall during the fiscal year to ensure a balanced local budget.

4. Income distribution standard – the percentage ratio of the distribution of types of budget revenues between budgets of different levels established by the relevant maslikhats.

5. Targeted transfers of a general nature, targeted current transfers, targeted transfers for development and budget loans are used by local executive bodies, offices of akims of towns of district significance, villages, settlements, rural districts only in accordance with their intended purpose, defined in the relevant passports of budget programs.

6. The specifics of the use and re-use of budgetary funds allocated in the form of targeted transfers and budgetary loans from a higher budget are regulated by Article 115 of this Code.

#### **Article 78. Principles of inter-budgetary relations**

Inter-budgetary relations are based on the following principles:

1) equality of regional budgets, budgets of cities of republican significance, the capital in relations with the republican budget, district (towns of regional significance) budgets in relations with a higher regional budget, budgets of towns of district significance, villages, settlements, rural districts in relations with a higher district (town of regional significance) budget;

2) effective distribution of income, taking into account compliance with the following criteria for their differentiation:

when fixing taxes and other mandatory payments to the budget, preference is given to the budget level that will ensure the highest degree of collection;

taxes with uneven distribution of the tax base are assigned to higher levels of budgets;

taxes that are stable and independent of the impact of external factors, taxes levied from a tax base that has a clear territorial reference, are assigned to lower-level budgets;

3) ensuring that local executive bodies provide the same level of state-guaranteed public services.

#### **Article 79. The main provisions on transfers of a general nature and their planning**

1. Transfers of a general nature are budget subventions and budget withdrawals.

Budget subventions are transfers transferred from higher budgets to lower budgets within the limits of the amounts approved in the republican, regional or district (town of regional significance) budget.

Budget withdrawals are transfers transferred from subordinate budgets to higher budgets within the limits of the amounts approved in the republican, regional or district (town of regional significance) budget.

2. The volume of transfers of a general nature is established by:

the Law of the Republic of Kazakhstan on the volume of transfers of a general nature – between the republican budget and regional budgets, budgets of cities of republican significance, the capital;

the decision of the regional maslikhat on the volume of transfers of a general nature – between regional budgets and district (towns of regional significance) budgets;

the decision of the maslikhat on the district (town of regional significance) budget – between district (town of regional significance) budgets and budgets of towns of district significance, villages, settlements, rural districts without the right to change the volume of transfers of a general nature established by the decision of the regional maslikhat on the volume of transfers of a general nature.

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

3. When setting the volume of transfers of a general nature, at the recommendation of the central or local authorized bodies of the relevant industry (area), minimum amounts of financing from the local budget for certain areas of expenditure are provided.

The areas of expenditure for which minimum amounts of financing from the local budget are established are determined taking into account their priority and social significance.

Local executive bodies of regions, cities of republican significance, the capital, districts (towns of regional significance), offices of akims of towns of district significance, villages, settlements, rural districts, during budget execution, have the right to redistribute funds under budget programs (subprograms) for which minimum amounts of financing from the local budget for certain areas of expenditure are established, in coordination with the central authorized body and (or) the local executive body of the relevant industry (area), that have determined the minimum amounts of financing from the local budget for certain areas of expenditure and for other areas of local budget expenditure.

In the case of financing by local executive bodies of certain areas of expenditures from the local budget below the minimum amounts established by law and (or) the decision of the regional maslikhat on the volume of general transfers, the amount of excess of the established amount, taking into account the changes made to it during budget execution, over the annual amount of the consolidated financing plan for payments at the end of the relevant financial year based on the results of the past financial year is taken into account when determining the volume of general transfers for the next three-year period.

4. Non-targeted transfers of general nature are intended to provide financial support for the provision of state-guaranteed services, the implementation of tasks and functions of the local executive body and are provided free of charge and non-refundable without specifying the directions of their use.

Non-targeted transfers of general nature include current and development costs. Development costs include the costs of implementing budget investment projects.

The remaining costs are current.



5. Targeted transfers of a general nature are formed in accordance with part two of paragraph 18 of Article 75 of this Code and include transfers transferred to lower-level budgets approved in the relevant budget in the form of targeted transfers during the current three-year volumes of transfers of general nature, while maintaining their intended purpose.

6. The procedure for planning transfers of a general nature, including the procedure for interaction between central and local executive bodies, other organizations, the procedure for submission and coordination by the central authorized bodies of the relevant industry (area) and local executive bodies of forms, lists of indicators necessary for calculating transfers of a general nature, and the procedure for monitoring their use, are determined by the central authorized body for budget policy.

7. The procedure and frequency of transfers of general nature are determined by the central authorized body for budget execution.

8. Responsibility in the planning of transfers of a general nature and their use is determined by Article 41 of this Code.

#### **Article 80. The process of planning transfers of a general nature**

1. The process of planning transfers of a general nature begins in the year of completion of the current law or the decision of the maslikhat on the volume of transfers of a general nature.

2. The projected amounts of revenues and expenditures of local budgets are calculated on the basis of a standard methodology for calculating transfers of a general nature, developed and approved by the central authorized body for budget policy.

The projected amounts of revenues and expenditures of the budgets of regions, cities of republican significance, the capital, districts (towns of regional significance), towns of district significance, villages, settlements, rural districts are calculated in accordance with the procedure determined by the local executive body of the region, city of republican significance, capital, based on a standard methodology developed in accordance with part one of this paragraph.

3. The projected volume of local budget revenues takes into account the revenue potential of a region.

The revenue potential of a region is the maximum possible amount of tax receipts and other mandatory payments to the budget, calculated to determine the region's income when setting the volume of general transfers for a three-year period.

The projected amounts of income are separately accompanied by the amounts of memoranda concluded between the regional akimat, the akimat of the city of republican significance, the capital and the subsoil users as part of the fulfillment of obligations to allocate finds by subsoil users for the socio-economic development of the region and development of its infrastructure in accordance with contracts for subsoil use.

The information specified in part two of this paragraph is formed on the basis of the reporting data provided by the central branch authorized bodies and local executive bodies.

4. The projected amounts of expenditures of local budgets are determined with a mandatory review of expenditures in accordance with Article 43 of this Code.

The projected volumes of local budget expenditures shall not take into account targeted transfers, costs of servicing and repaying the debt of the local executive body, budget loans, state obligations under public-private partnership projects, turnkey construction projects, image expenses, grants, research, consulting services, scientific and technical projects and programs.

It is allowed to apply an additional indicator to the projected volume of expenditures of local budgets for which budget withdrawals are projected, determined taking into account the results of monitoring conducted in accordance with paragraph 3 of Article 84 of this Code and having a positive recommendation from the relevant budget commission.

The projected volumes of current expenditures of local budgets are calculated taking into account the indexation provided for by the legislative acts of the Republic of Kazakhstan and the projected number of consumers of public services in the region.

The projected amounts of capital expenditures and expenditures for the development of local budgets are calculated in accordance with sectoral financing methods developed and approved by the relevant central sectoral government agencies in coordination with local executive bodies, the central authorized body for budget policy and the central authorized body for budget planning, and are included in the volume of general non-targeted transfers in absolute amounts in accordance with a standard methodology for calculating transfers of a general nature, defined by part one of this paragraph.

When developing the sectoral methodologies provided for in part five of this paragraph, the following shall be taken into account:

- minimum standards and a system of regional standards for settlements provided for in paragraph 3 of Article 70 and paragraph 3 of Article 84 of this Code;

- requirements of paragraphs 5 and 6 of Article 37, paragraph 8 of Article 148, paragraph 3 of Article 149 of this Code;

- other requirements according to the industry legislation of the Republic of Kazakhstan.

5. To plan transfers of a general nature, the offices of akims of towns of district significance, villages, settlements, rural districts, local authorized bodies for state planning of districts (towns of regional significance), local executive bodies of regions, cities of republican significance, and the capital form recommendations for projected revenues and expenditures of local budgets calculated on the basis of calculation methods for transfers of a general nature, as defined by paragraph 2 of this article.

6. The planning process for transfers of general nature begins on February 1 of the year and includes:

- 1) in accordance with paragraph 3 of this article, determination of the projected revenue volumes of:

towns of district significance, villages, settlements, rural districts by local executive bodies of districts (towns of regional significance);

districts (towns of regional significance) by local executive bodies of regions, cities of republican significance, the capital;

budgets of regions, cities of republican significance, and the capital by the central authorized body for budget policy;

2) in accordance with paragraph 4 of this article, determination of the projected costs of non-targeted transfers of general nature by local executive bodies of regions, cities of republican significance, the capital, together with local executive bodies of districts (towns of regional significance) and the offices of akims of towns of district significance, villages, settlements, rural districts;

3) the formation by local executive bodies of regions, cities of republican significance, the capital, together with local executive bodies of districts (towns of regional significance) and the offices of akims of towns of district significance, villages, settlements, rural districts, by April 1 of the year of completion of the current maslikhat decision on the volume of transfers of a general nature of recommendations for projected revenues and expenditures of local budgets for targeted and non-targeted transfers of a general nature.

The projected volumes of targeted transfers of a general nature are determined jointly with the relevant central sectoral government agencies – administrators of republican budget programs and (or) administrators of higher-level local budget programs with mandatory analysis of expenditures financed in previous financial years through targeted transfers, including those included in local budget expenditures when planning transfers of general nature for the next three years, for their compliance with the industry policy in order to make a decision on inclusion in the volume of transfers of a general nature in accordance with part two of paragraph 18 of Article 75 of this Code;

4) submission by local executive bodies of regions, cities of republican significance, and the capital of recommendations on projected revenues and expenditures of local budgets for targeted and non-targeted transfers of general nature to the central authorized body for budget policy by April 15 of the year of completion of the current law on the volume of transfers of general nature;

5) determination by the central authorized body for budget policy of the volume of transfers of a general nature for the upcoming three-year period and submission to the central authorized body for budget planning for consideration when determining the limits of expenditures of administrators of republican budget programs;

6) informing the central authorized body for budget policy of the volume of transfers of general nature for the upcoming three-year period, which were taken into account when

determining the limits of expenditures of administrators of republican budget programs and which have a positive recommendation from the Republican budget commission, by June 7 of the year of completion of the current law on the volume of transfers of general nature;

7) determination by the central authorized body for budget policy of the volume of transfers of a general nature and communication to local executive bodies of regions, cities of republican significance, the capital;

8) the formation of a draft law on transfers of a general nature and a draft decision of the regional maslikhat on the volume of transfers of a general nature.

7. The first head of the central branch state body shall bear responsibility established by the laws of the Republic of Kazakhstan in accordance with Article 41 of this Code.

**Footnote. Article 80 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

**Article 81. Development of a draft law on the volume of transfers of a general nature between the republican budget and regional budgets, budgets of cities of republican significance, the capital**

1. The central authorized body for budget policy develops a draft law on the volume of transfers of general nature for a three-year period and submits it to the Republican budget commission for consideration.

2. The text of the draft law on the volume of transfers of general nature should contain the volume of transfers of general nature in absolute terms for a three-year period, broken down by year.

3. The following is attached to the draft law on the volume of transfers of general nature for a three-year period, broken down by year and by region:

the volume of transfers of general nature divided into non-targeted and targeted ones, indicating the intended purpose.

The intended purpose of the volume of targeted transfers of a general nature is not subject to change, except in cases of their redistribution within the framework of achieving the goals of the same direction;

development costs;

minimum amounts of financing from the local budget for certain areas of expenditure at the recommendation of the central authorized bodies of the relevant industry (area).

4. The central authorized body for budget policy, no later than August 15 of the year of completion of the current law on the volume of transfers of a general nature, submits a draft law on the volume of transfers of a general nature to the Government of the Republic of Kazakhstan for consideration.

5. The draft law on the volume of transfers of a general nature is submitted by the Government of the Republic of Kazakhstan to the Parliament of the Republic of Kazakhstan

no later than September 1 of the year of completion of the current law on the volume of transfers of a general nature.

6. The draft law on the volume of transfers of a general nature and the draft decision of the maslikhat of the region, maslikhat of the district (town of regional significance) on the volume of transfers of a general nature are subject to publication in accordance with Article 40 of this Code.

## **Article 82. Development of a draft decision of the regional maslikhat on the volume of transfers of a general nature**

1. The local authorized body for state planning of the region draws up a draft decision of the regional maslikhat on the volume of transfers of a general nature and submits it to the relevant budget commission for consideration after submitting to the Government of the Republic of Kazakhstan of a draft law on the volume of transfers of a general nature between the republican budget and regional budgets, budgets of cities of republican significance, the capital.

2. A draft decision of the regional maslikhat on the volume of transfers of a general nature is submitted by the local executive body of the region to the maslikhat after approval of the law on the volume of transfers of a general nature between the republican budget and regional budgets, budgets of cities of republican significance, the capital.

3. The text of the draft decision of the regional maslikhat on the volume of transfers of a general nature should contain the volume of transfers of a general nature in absolute terms for a three-year period, broken down by year and by region.

4. The following is attached to the draft decision of the regional maslikhat on the volume of transfers of a general nature for a three-year period, broken down by year and by region:

the volume of transfers of a general nature divided into non-targeted and targeted ones, indicating the intended purpose;

development costs;

minimum amounts of financing from the local budget for certain areas of expenditure at the recommendation of local authorized bodies of the relevant industry (area).

5. The intended purpose of the volume of targeted transfers of a general nature is not subject to change, except in cases of their redistribution within the achievement of the goals of the same direction.

6. A draft decision of the regional maslikhat on the volume of transfers of a general nature is submitted by the local executive body of the region to the relevant maslikhat no later than October 15 of the year preceding the planned period.

## **Article 83. Target transfers**

1. Target transfers are divided into targeted current transfers and targeted development transfers.

2. Targeted current transfers are the transfers transferred during the period of validity of three-year volumes of transfers of a general nature within the amounts approved in the republican or local budgets:

1) higher-level budgets to lower-level budgets aimed at compensating for losses of lower-level budgets resulting from the adoption of laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan, regulatory legal orders of ministers of the Republic of Kazakhstan and other heads of central government bodies, regulatory legal resolutions of central government bodies, regulatory legal orders of heads of departments of central government bodies, regulatory legal acts of the representative and executive bodies of the region, district (city of regional significance), providing for an increase in expenditures and (or) a reduction in revenues of lower-level budgets;

2) lower budgets to the higher ones aimed at compensating for losses of higher budgets resulting from the adoption of legislative acts, acts of the President of the Republic of Kazakhstan providing for an increase in expenditures of the higher budget in connection with the transfer of functions of state bodies from a lower level of government to a higher one.

**Footnote. Part 1 of paragraph 3 of Article 83 is valid until 31.12.2025 in accordance with paragraph 3 of Article 172 of this Code.**

3. Targeted development transfers are transfers transferred from higher budgets to lower ones within the amounts approved in the republican, regional, district (towns of regional significance) budget for the implementation of local budget development programs.

**Footnote. Part 2 of paragraph 3 of Article 83 is valid until 31.12.2025 in accordance with paragraph 3 of Article 172 of this Code.**

Targeted development transfers from the higher budget to lower budgets are allocated subject to co-financing of budget investments from the lower local budget.

Targeted development transfers are transferred from higher budgets to lower budgets to finance critical facilities and projects of national importance in accordance with paragraph 8 of Article 148 of this Code in the absence of alternative sources of financing.

4. To plan targeted transfers, local authorized state planning bodies, together with local executive bodies of districts (towns of regional significance) and the offices of akims of towns of district significance, villages, settlements, and rural districts, determine the projected volumes of targeted transfers based on development plans for regions, cities of republican significance, and the capital, taking into account the investment plan and the results of consideration of relevant regulatory legal acts in accordance with paragraphs 1 and 3 of Article 73 of this Code and are sent to the sectoral state bodies – administrators of republican budget programs and (or) administrators of higher-level local budget programs for consideration as part of the planning of the draft budget.

5. It is not allowed to reduce the volume of targeted development transfers transferred from higher budgets to lower budgets in connection with additional revenues received during the execution of lower budgets.

6. Targeted transfers are used by local executive bodies only in accordance with their intended purpose, as defined in the relevant budget program passports, with the exception of targeted current transfers transferred in accordance with subparagraph 1) of paragraph 2 of this article to compensate for the reduction in local budget revenues.

Targeted current transfers transferred in accordance with subparagraph 1) of paragraph 2 of this article to compensate for the reduction in revenues of local budgets, are reflected only in the revenues of lower-level budgets.

7. The procedure for transferring targeted transfers, compiling and submitting a report on the final results achieved through the use of allocated targeted transfers, as well as the form of the report on the final results achieved through the use of allocated targeted transfers, and the procedure for monitoring targeted transfers allocated from a higher budget, shall be determined by the central authorized body for budget execution.

8. The responsibility of officials provided for by the laws of the Republic of Kazakhstan in allocating and using targeted transfers is defined by Article 41 of this Code.

#### **Article 84. Monitoring in the field of inter-budgetary relations**

1. Local authorized bodies of the relevant industry (area) for transfers of general nature ensure monitoring of:

targeted transfers of general nature;

development costs;

the minimum amounts of financing established by the law on the volume of transfers of a general nature.

The results of the monitoring referred to in paragraph 1 of this article, based on the results of the year, are submitted to the audit commissions of the regions, cities of republican significance, and the capital to assess the achievement of the goals and target indicators of the development plan of the region, city of republican significance, and the capital as part of the preparation of the annual report on the implementation of the local budget for the fiscal year to the central authorized body for regional policy, central sectoral government agencies to prepare analytical information on the implementation of relevant budget programs (subprograms) as part of the preparation of the annual report on the implementation of the republican budget for the fiscal year under review.

2. Targeted transfers allocated from a higher budget are monitored within the framework of budget monitoring conducted in accordance with Article 119 of this Code.

3. The central authorized body for regional policy, together with interested central and local government bodies, within the framework of the system of regional standards for settlements, conducts annual monitoring of the provision of settlements with the minimum

mandatory level of facilities and services (goods), depending on the type (town, village) and size (population) of settlements.

The monitoring procedure is determined by the central authorized body for regional policy.

## **Chapter 16. BUDGET DEVELOPMENT PROCESS**

### **Article 85. General provisions on budget development**

1. The republican budget is annually developed for the planned period by the central authorized body for budget planning.

2. The regional budget, the budgets of the city of republican significance, the capital, and the district (town of regional significance) budget are annually developed for the planned period by local authorized state planning bodies.

3. The budget of a town of district significance, village, settlement, rural district is annually developed for the planned period by the office of the akim of the town of district significance, village, settlement, rural district.

### **Article 86. Development of a draft law on the republican budget**

1. The central authorized body for budget planning shall draft the republican budget and submit it for consideration by the Republican budget commission.

2. The central authorized body for budget planning shall, no later than August 1 of the current financial year, submit the draft republican budget for consideration to the Supreme audit chamber of the Republic of Kazakhstan for a preliminary assessment of the main expenditure areas of the draft republican budget in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control.

3. The draft republican budget for the planned period is formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

Receipts are presented by category, class, and subclass, while expenditures are presented by functional group, budget program administrators, and budget programs.

In the expenditures for the second and third years of the planned period, unconditional basic expenditures are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program.

The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

4. The text of the draft law on the republican budget should contain the following for the next fiscal year:

the volume of revenues, receipts of transfers, expenses, net budget loans, the balance of operations with financial assets, the volume of deficit (surplus), non-oil deficit (surplus), deficit financing (use of surplus) of budget;



minimum wages, pensions, monthly calculation index, minimum subsistence level and state basic pension payment, defined in the forecast of socio-economic development of the Republic of Kazakhstan;

the amount of the state contributions to compulsory social health insurance payable to the social health insurance fund;

the size of the increase in age-related pension payments and retirement benefits for years of service;

the volume of budget withdrawals from local budgets to the republican budget, determined by the law on the volume of transfers of a general nature;

the volume of budget subventions transferred from the republican budget to local budgets, determined by the law on the volume of transfers of a general nature;

the volume of guaranteed transfer from the National Fund of the Republic of Kazakhstan, defined in the forecast of socio-economic development of the Republic of Kazakhstan;

the size of the reserve for initiatives of the President of the Republic of Kazakhstan;

the size of the reserve of the Government of the Republic of Kazakhstan;

the limit of the provision of state guarantees of the Republic of Kazakhstan;

the limit of the provision of state guarantees of the Republic of Kazakhstan for export support;

government debt limit;

limit of state obligations on public-private partnership projects of the Government of the Republic of Kazakhstan;

the limit on granting state guarantees;

the limit of the external debt of quasi-public sector entities and the list of quasi-public sector entities that have been granted the right to attract external loans;

debt limits of local executive bodies;

limits of government obligations on public-private partnership projects of local executive bodies;

limit of state obligations under turnkey construction contracts of the Government of the Republic of Kazakhstan;

limit of state obligations under turnkey construction contracts of local executive bodies;

other provisions.

5. The draft law on the republican budget is accompanied by:

1) the draft republican budget for the planned period, formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

2) the amount of revenue for the next fiscal year allocated to the National Fund of the Republic of Kazakhstan;

3) a list of republican and local budget programs (subprograms) for the next fiscal year that are not subject to sequestration during budget execution;

4) a list of target indicators and final results of budget program passports in the context of budget program administrators;

5) other data.

6. In the text of the draft law on the republican budget, the amounts of the approved deficit (surplus) and non-oil deficit (surplus) of the republican budget for the next fiscal year are reflected in monetary terms and as a percentage of gross domestic product.

7. The central authorized body for budget planning shall submit a draft law on the republican budget to the Government of the Republic of Kazakhstan no later than August 15 of the current fiscal year.

The draft law on the republican budget is considered by the Administration of the President of the Republic of Kazakhstan within five working days after the submission by the Government of the Republic of Kazakhstan.

**Footnote. Article 86 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

**Article 87. Development of a draft decision of the maslikhat on the regional budget, the budget of the city of republican significance, the capital**

1. The local authorized body for state planning shall draft the regional budget, the budget of the city of republican significance, the capital and submit it for consideration by the budget commission of the region, the city of republican significance, the capital.

**Footnote. Paragraph 2 of Article 87 shall enter into force on 01.01.2028 in accordance with subparagraph 3) of paragraph 1 of Article 172 of this Code.**

2. The local authorized body for state planning, no later than September 15 of the current financial year, submits the draft regional budget, the budget of the city of republican significance, the capital for consideration to the audit commission of the region, the city of republican significance, the capital for a preliminary assessment of the main areas of expenditure of the draft local budget in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control.

3. The draft regional budget, the budget of the city of republican significance, the capital for the planned period is formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

Receipts are presented by category, class, and subclass, while expenditures are presented by functional group, budget program administrators, and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

4. The text of the draft decision on the regional budget, the budget of the city of republican significance, the capital should contain the following for the next fiscal year:

1) the volume of revenues, receipts of transfers, expenses, net budget loans, the balance of operations with financial assets, the volume of deficit (surplus), financing the deficit (using the surplus) of the budget;

2) the volume of budget subventions transferred from the regional budget to district (towns of regional significance) budgets;

3) the volume of budget withdrawals from district (towns of regional significance) budgets to the regional budget;

4) the size of the reserve of the local executive body of the region, the city of republican significance, the capital;

5) the debt limit of the local executive body of the region, the city of republican significance, the capital;

6) the limit of state obligations on public-private partnership projects of the local executive body of the region, the city of republican significance, the capital;

6-1) the limit of state obligations under turnkey construction contracts of the local executive body of the region, city of republican significance, and the capital;

7) other provisions.

5. The following is attached to the draft decision on the regional budget, the budget of the city of republican significance, and the capital:

1) the draft regional budget, the budget of the city of republican significance, the capital for the planned period, formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program;

2) a list of local budget programs (subprograms) for the next fiscal year that are not subject to sequestration in the process of executing the local budget for the next fiscal year, including those established by the law on the republican budget;

- 3) budget programs of each district in the city;
- 4) a list of target indicators and final results of budget program passports in the context of budget program administrators;
- 5) other data.

6. The size of the approved deficit (surplus) of the regional budget, the budget of the city of republican significance, the capital is reflected in monetary terms.

7. The local authorized body for state planning, no later than October 1 of the current fiscal year, submits the draft regional budget, the budget of the city of republican significance, the capital for consideration by the local executive bodies of the region, the city of republican significance, the capital.

**Footnote. Article 87 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

**Article 88. Development of a draft decision of the maslikhat on the district (town of regional significance) budget**

1. The local authorized body for state planning draws up a draft district (town of regional significance) budget and submits it for consideration by the budget commission of the district (town of regional significance).

2. Consideration and determination of the draft district (town of regional significance) budget shall be completed no later than October 1 of the current fiscal year.

3. The draft district (town of regional significance) budget for the planned period is formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

Receipts are presented by category, class, and subclass, while expenditures are presented by functional group, budget program administrators, and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program.

4. The text of the draft decision of the maslikhat on the district (town of regional significance) budget should contain the following for the next fiscal year:

1) the volume of revenues, receipts of transfers, expenses, net budget loans, the balance of operations with financial assets, the volume of deficit (surplus), financing the deficit (using the surplus) of the budget;

2) the amount of budget subventions transferred from the district (town of regional significance) budget to the budgets of towns of district significance, villages, settlements, rural districts;

3) the volume of budget withdrawals from the budgets of towns of district significance, villages, settlements, rural districts to district (towns of regional significance) budgets;

4) the size of the reserve of the local executive body of the district (town of regional significance);

5) other provisions.

5. The draft decision of the maslikhat on the district (town of regional significance) budget is accompanied by:

1) the draft district (town of regional significance) budget for the planned period, formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program;

2) for a three-year period, broken down by year and by region:

the volume of transfers of a general nature, divided into non-targeted and targeted ones, indicating the intended purpose;

development costs;

minimum amounts of financing from the local budget for certain areas of expenditure;

3) a list of budget programs (subprograms) for the next fiscal year that are not subject to sequestration in the process of executing the local budget, including those established by the decision of the maslikhat of the region on approval of the regional budget;

4) budget programs of the district, each district in the city;

5) other data.

6. The size of the approved deficit (surplus) of the district (town of regional significance) budget for the next fiscal year is reflected in monetary terms.

7. The local authorized body for state planning, no later than October 15 of the current fiscal year, submits the draft district (town of regional significance) budget for consideration to the local executive body of the district (town of regional significance).

## **Article 89. Development of a draft decision of the maslikhat on the budget of a town of district significance, village, settlement, rural district**

1. The office of the akim of a town of district significance, village, settlement, rural district draws up a draft budget of a town of district significance, village, settlement, rural

district and, after coordination with the meeting of the local community, submits it for consideration to the local authorized body for state planning of the district (town of regional significance) no later than September 1 of the current fiscal year.

The local authorized body for state planning of a district (town of regional significance) submits draft budgets of towns of district significance, villages, settlements, and rural districts for consideration by the budget commission of the district (town of regional significance).

2. Consideration and determination of the draft budget of a town of district significance, village, settlement, rural district are completed no later than October 15 of the current fiscal year.

3. The draft budget of a town of district significance, village, settlement, rural district for the planned period is formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

Receipts are presented by category, class, and subclass, while expenditures are presented by functional group, budget program administrators, and budget programs.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

4. The text of the draft decision of the maslikhat on the budget of a town of district significance, village, settlement, rural district is developed by the local authorized body for state planning of the district (town of regional significance) together with the offices of akims of town of district significance, villages, settlements, rural districts and must contain the following for the next fiscal year:

1) the volume of revenues, receipts of transfers, expenses, net budget loans, the balance of operations with financial assets, the volume of deficit (surplus), financing of deficit (use of surplus) of budgets;

2) the amount of budget subventions transferred from the district (town of regional significance) budget to the budgets of towns of district significance, villages, settlements, rural districts;

3) the volume of budget withdrawals from the budgets of town of district significance, villages, settlements, rural districts to the district (town of regional significance) budget;

4) other provisions.

5. The draft decision of the maslikhat on the budgets of towns of district significance, villages, settlements, rural districts for each local budget is accompanied by:

1) a draft budget for the planned period, formed by separate appendices for each year of the planned period in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

In the expenditures for the second and third years of the planned period, the unconditional basic expenses of a permanent nature are set out by functional groups, administrators of budget programs and budget programs, and expenditures for new initiatives are reflected in one budget program;

2) a list of budget programs for the next fiscal year that are not subject to sequestration in the process of executing the local budget, including those established by the decision of the district (town of regional significance) maslikhat on approval of the district (town of regional significance) budget;

3) other data.

6. The size of the approved budget deficit (surplus) of a town of district significance, village, settlement, rural district for the next fiscal year is reflected in monetary terms.

## **Chapter 17. BASIC PROVISIONS OF THE DRAFT BUDGET REVIEW AND APPROVAL PROCESS**

### **Article 90. General provisions on consideration and approval of the draft republican budget**

1. The draft law on the republican budget is submitted by the Government of the Republic of Kazakhstan to the Parliament of the Republic of Kazakhstan no later than September 1 of the current fiscal year.

2. The Government of the Republic of Kazakhstan simultaneously submits the following documents and materials with the draft law on the republican budget:

1) forecast of socio-economic development of the Republic of Kazakhstan;

2) analytical report on budget risks;

**Footnote. Subparagraph 3) of paragraph 2 of Article 90 shall enter into force on 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

3) analytical report on tax expenses;

4) data on the state of public sector debt obligations, the amounts of money paid to repay public debt, and the amounts of money paid under government guarantees and government obligations under public-private partnership projects, by type of debt for the two reporting financial years and as of July 1 of the current financial year;

5) data on repayment and servicing of the principal debt, amounts of remuneration, commissions and other payments in accordance with the terms of the loan in the context of each project implemented at the expense of government external loans for the planned financial year;

6) data on government and state-guaranteed loans by type and form for the two reporting financial years and as of July 1 of the current financial year;

7) information on servicing and repayment of government debt in terms of types, sources, and terms of loans for the two reporting financial years and as of July 1 of the current financial year;

8) analysis of the international debt capital markets, identifying potential opportunities for attracting government external borrowing;

9) summary information on government tasks for which budgetary funds are provided in the draft republican budget;

10) aggregated summary information on approved development plans of government agencies;

11) aggregated summary information on the passports of budget programs of budget program administrators;

12) forecast of receipts and expenditures of the State Social Insurance Fund and the Social Health Insurance Fund;

13) forecast consolidated financial statements for the republican budget;

14) cost review, conclusions and recommendations based on its results;

15) results of the evaluation of the results;

16) National report on the management of public assets and the quasi-public sector;

17) an explanatory note disclosing the decisions included in the draft republican budget.

The explanatory note also includes:

aggregated summary information on the discrepancy between the target indicators of the development plans of government agencies and the final results provided for in the passports of budget programs of budget program administrators;

information on the amount of expenditures declared by administrators of budget programs for which budget funds are not provided in the draft republican budget, for the difference between the amount necessary to achieve the target indicator and the amount provided for in the passport of the budget program to achieve the final result (end results), in the context of administrators of budget programs;

18) documents of administrators of budget programs, including:

development plans or draft development plans of government agencies;

budget request without calculations;

action plans (draft action plans) or plans for the development of quasi-public sector entities (draft plans for the development of quasi-public sector entities), for which budgetary funds are provided in the draft republican budget;

long-term development strategies for autonomous educational organizations;

an explanatory note containing:

a description of the achievement of goals and target indicators of government development plans;



description of target indicators and planned end results of budget program passports in conjunction with target indicators of government development plans, including the reasons for the discrepancy between target indicators and end results;

directions of budget spending in the context of budget programs and budget subprograms, a brief description of the activities provided for in the passports of budget programs;

a description of the execution of budget programs and the achieved performance indicators for the two reporting financial years, as well as information (causes, consequences) on the deviation of the planned budget funds for the planning period from the budget funds approved in the law on the republican budget in the previous planned period;

information on initiated (ongoing) budget investment projects included in the draft budget for the planned period in accordance with the investment plan of the state body, developed in accordance with paragraph 8 of Article 148 of this Code within the framework of the development plan of the state body, indicating the amounts of expenditures allocated and used at the expense of the republican budget in previous financial years;

information on the use of targeted development transfers allocated from the republican budget for two reporting financial years, in the context of lower-level budgets, indicating the names of local budget investments provided for in the investment plan of the region, the city of republican significance, the capital, developed in accordance with paragraph 8 of Article 148 of this Code within the framework of the development plan of the region, the city of republican significance, the capital, and the amount of expenses.

3. The approval of the republican budget by the Parliament of the Republic of Kazakhstan is carried out no later than December 1 of the current fiscal year.

4. If the Parliament of the Republic of Kazakhstan does not adopt the law on the republican budget by December 1 of this year, the President of the Republic of Kazakhstan has the right to issue a decree on the republican financial plan for the first quarter of the next fiscal year, which is valid until the Parliament of the Republic of Kazakhstan approves the law on the republican budget. The draft decree of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the next fiscal year, as well as the draft resolution of the Government of the Republic of Kazakhstan on its implementation are being developed by the central authorized body for budget planning.

The republican financial plan for the first quarter of the next fiscal year is approved no later than December 25 of this year in the amount of one fourth of the forecast of the republican budget for the next fiscal year.

The execution of the republican financial plan is carried out in accordance with the procedure established by this Code.

5. If the republican financial plan for the first quarter of the next fiscal year is approved, the republican budget for that fiscal year must be approved no later than March 1 of the same year.

At the same time, the republican budget for this fiscal year is approved taking into account the republican financial plan for the first quarter of the same year.

6. The Law on the republican budget with appendices, documents and materials attached to the draft law on the republican budget in accordance with paragraph 2 of this Article, the decree of the President of the Republic of Kazakhstan on the republican financial plan for the first quarter of the upcoming fiscal year with appendices are subject to publication in accordance with Article 40 of this Code.

#### **Article 91. General provisions on the review and approval of the draft local budget**

1. The draft regional budget, the budget of the city of republican significance, the capital is submitted by the local executive body of the region, the city of republican significance, the capital to the relevant maslikhat no later than October 15 of the current fiscal year.

The draft district (town of regional significance) budget is submitted by the local executive body of the district (town of regional significance) to the relevant maslikhat no later than November 1 of the current fiscal year.

Draft budgets of towns of district significance, villages, settlements, and rural districts are submitted by the local executive body of the district (town of regional significance) to the district (town of regional significance) maslikhat no later than November 10 of the current fiscal year.

2. The local executive body shall simultaneously submit the following documents and materials with the draft local budget:

1) forecast of socio-economic development of the region, the city of republican significance, the capital;

2) forecast consolidated financial statements for the regional budget, the budget of the city of republican significance, the capital;

3) the development plan of the region, the city of republican significance, the capital, or the draft development plan of the region, the city of republican significance, the capital;

4) cost review, conclusions and recommendations based on its results;

5) aggregated summary information on the approved development plan of the region, the city of republican significance, the capital;

6) aggregated summary information on the passports of budget programs of budget program administrators;

7) information on income distribution standards;

8) information on the current debt status of the local executive body, the amounts of money paid to repay the debt of the local executive body, and the amounts of money paid for the obligations of the local executive body on public-private partnership projects, by type of debt for the two reporting financial years and as of July 1 of the current financial year;

9) data on loans attracted by the local executive body by types and forms for two reporting financial years and as of July 1 of the current financial year;

10) information on servicing and repayment of debt of local executive bodies in the context of types, sources, terms of loans;

11) an explanatory note disclosing the decisions included in the draft local budget.

The explanatory note includes:

aggregated summary information on the discrepancy between the target indicators of the development plans of the region, the city of republican significance, the capital and the final results provided for in the passports of budget programs of budget program administrators;

information on the amount of expenditures declared by administrators of budget programs for which no budgetary funds are provided in the draft local budget, for the difference between the amount required to achieve the target indicator and the amount provided for in the passport of the budget program to achieve the final result (end results), in the context of administrators of budget programs;

12) documents of administrators of budget programs, including:

budget request without calculations;

action plans (draft action plans) or plans for the development of quasi-public sector entities (draft plans for the development of quasi-public sector entities) for which budgetary funds are provided in the draft local budget;

an explanatory note containing:

a brief description of the achieved performance indicators for the financial year under review;

a brief description of the current situation and the existing problems;

description of ways to improve the situation and solve problems, achieve goals and planned target indicators, including the reasons for the discrepancy between target indicators and final results in the event of insufficient planned budget funds to achieve the target indicators of the development plans of the region, the city of republican significance, the capital;

description of the target indicators and planned final results provided for in the passports of budget programs in conjunction with the goals and target indicators of the development plans of the region, the city of republican significance, the capital;

directions of budget spending in the context of budget programs and budget subprograms, a brief description of the activities provided for in the passports of budget programs;

information on initiated (ongoing) budget investment projects included in the draft budget for the planned period in accordance with the investment plan of the region, the city of republican significance, the capital, developed in accordance with paragraph 8 of Article 148 of this Code within the framework of the development plan of the region, the city of republican significance, the capital, including those implemented through targeted transfers for development and budget loans from a higher budget, indicating the amounts of expenses allocated and used in previous financial years.

3. The regional budget, the budgets of the city of republican significance, the capital are approved by the relevant maslikhat within ten calendar days after the signing by the President of the Republic of Kazakhstan of the law on the republican budget.

The district (town of regional significance) budget is approved by the district (town of regional significance) maslikhat within ten calendar days after the signing of the decision of the regional maslikhat on the approval of the regional budget.

Budgets of towns of district significance, villages, settlements, rural districts are approved by the district (town of regional significance) maslikhat within five calendar days after signing the decision of the district (town of regional significance) maslikhat on approval of the district (town of regional significance) budget.

The budgets of towns of district significance, villages, settlements, and rural districts may be approved by separate decisions of the district (town of regional significance) maslikhat.

4. If the maslikhat does not make a decision on the local budget within the time period established by paragraph 3 of this article, the local executive body of the relevant administrative-territorial unit or the akim of a town of district significance, village, settlement, rural district issues a resolution or decision on the local financial plan for the first quarter of the next financial year, which is valid until the maslikhat approves the local budget. The draft resolution of the local executive body on the local financial plan for the first quarter of the next fiscal year is developed by the local authorized body for state planning.

The local financial plan for the first quarter of the next fiscal year is approved no later than December 25 of this year in the amount of one fourth of the forecast of the local budget for the next fiscal year.

The draft decision of the akim of a town of district significance, village, settlement, rural district on the local financial plan for the first quarter of the next fiscal year is developed by the akim's office of the relevant administrative-territorial unit.

The execution of the local financial plan is carried out in accordance with the procedure established by this Code.

5. If the local financial plan for the first quarter of the next fiscal year is approved, the local budget for that fiscal year must be approved no later than March 1 of the same year.

6. Local executive bodies of regions, cities of republican significance, and the capital, within ten working days after the adoption of decisions by district (town of regional significance) maslikhats on the approval of district (towns of regional significance) budgets, budgets of towns of district significance, villages, settlements, and rural districts, shall submit to the central authorized body for budget planning the budgets of the regions, budgets of cities of republican significance, the capital, consolidated on the basis of approved local budgets.

7. The decision of the maslikhat on the local budget with appendices and the resolution of the local executive body (decision of the akim of a town of district significance, village, settlement, rural district) on the local financial plan for the first quarter of the next financial year with appendices are subject to publication in accordance with Article 40 of this Code.

**Article 92. General provisions on approval of drafts of the republican and local budgets, the draft law of the Republic of Kazakhstan or the draft decision of the regional maslikhat on the volume of transfers of a general nature by representative bodies**

1. When considering draft budgets, representative bodies adhere to the following principles:

- 1) the principle of validity of recommendations;
- 2) the principle of budget balance.

The principle of validity of recommendations means that any recommendation of deputies on amendments or additions to the draft budget must be accompanied by a written statement of the need to introduce these amendments, their compliance with the priorities of socio-economic development, with appropriate calculations attached to them and recommendations for adjusting the indicators of the development plans of the region, the city of republican significance, the capital, as well as the indicators provided for in the passports of budget programs.

The principle of budget balance means that when deputies make any changes or additions to the draft budget, additional sources of revenue or reduced expenditures must be identified in order to maintain the budget deficit no more than the amount established by the draft budget.

2. Recommendations of deputies on amendments or additions to the volume of transfers of a general nature, having a positive conclusion of the Government of the Republic of Kazakhstan or akim, are included in the draft law or draft decision of the regional maslikhat on the volume of transfers of a general nature as the targeted transfers of a general nature.

3. The discussion of the draft republican budget at the plenary sessions of the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan includes reports of:

the Chairman of the National Bank of the Republic of Kazakhstan on monetary policy;

the person(s) authorized by the Government of the Republic of Kazakhstan on the forecast of socio-economic development of the republic, the state of public finances, management of state assets and the quasi-public sector and the draft law on the republican budget;

persons authorized by the Chambers of the Parliament of the Republic of Kazakhstan, with opinions on the draft law.

The discussion of the draft republican budget at meetings of working groups and standing committees of the Chambers of the Parliament of the Republic of Kazakhstan includes reports of:

the heads of central government agencies on the planned target indicators of the development plans of government agencies and (or) the final results provided for in the passports of budget programs;

the heads of quasi-public sector entities to whom budgetary funds are provided in the draft republican budget, about the planned target indicators of action plans or development plans;

the heads of organizations to which transfers to legal entities are provided in the draft republican budget, about the planned target indicators of development plans, action plans, as well as long-term development strategies for autonomous educational organizations.

4. The discussion of the draft law on the volume of transfers of general nature at the plenary sessions of the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan includes reports of:

the person(s) authorized by the Government of the Republic of Kazakhstan on the draft law on the volume of transfers of a general nature, including the amount of income and expenses of local budgets;

persons authorized by the Chambers of the Parliament of the Republic of Kazakhstan, with opinions on the draft law.

The discussion of the draft law on the volume of transfers of a general nature at the meetings of working groups and standing committees of the Chambers of the Parliament of the Republic of Kazakhstan includes reports of: akim of the relevant administrative-territorial unit or the person(s) authorized by the local executive body on the volume of local budget expenditures;

heads of central government agencies – administrators of republican budget programs on the projected amounts of current expenditures, including capital, and projected amounts of development costs in the volumes of targeted transfers of a general nature.

5. The discussion of the draft local budget at the session of the relevant maslikhat includes reports of:

the akim of the relevant administrative-territorial unit or the person(s) authorized by the local executive body on the forecast of socio-economic development of the region, the city of republican significance, the capital on the draft local budget;

persons authorized by the maslikhat, with an opinion on the draft local budget.

6. The discussion at the session of the regional maslikhat of the draft decision of the regional maslikhat on the volume of transfers of a general nature includes reports of:

akim of the relevant administrative-territorial unit or the person(s) authorized by the local executive body on the volume of transfers of a general nature;

persons authorized by the maslikhat, with an opinion on the draft decision of the regional maslikhat on the volume of transfers of a general nature.

7. Discussion at the session of the relevant maslikhat of draft budgets of towns of district significance, villages, settlements, rural districts includes reports of:

akim of the district (town of regional significance) or the person(s) authorized by the local executive body for forecasting the socio-economic development of the region, draft budgets of towns of district significance, villages, settlements, rural districts;

the person(s) authorized by the maslikhat with the conclusion on the draft budgets of towns of district significance, villages, settlements, rural districts.

8. The discussion of the draft local budget in the standing committees of the relevant maslikhat includes reports from the heads of administrators of local budget programs on the planned final results of local budget programs.

**Article 93. Resolutions of the Government of the Republic of Kazakhstan and local executive bodies, the decision of the akim of a town of district significance, village, settlement, rural district on the implementation of the law on the republican budget and decisions of maslikhats on local budgets**

1. The resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget is adopted within seven calendar days from the date of signing by the President of the Republic of Kazakhstan of the law on the republican budget.

The resolution of the local executive body of the region, city of republican significance, the capital, district (town of regional significance) on the implementation of the maslikhat's decision on the local budget is adopted within seven calendar days after the maslikhat approves the local budget.

The decision of the akim of a town of district significance, village, settlement, rural district on the implementation of the decision of the district (town of regional significance) maslikhat on the budgets of towns of district significance, villages, settlements, rural districts is made after the approval by the district (town of regional significance) maslikhat of the budgets of towns of district significance, villages, settlements, rural districts by the end of the current fiscal year. Draft resolutions of the Government of the Republic of Kazakhstan and local executive bodies on the implementation of the law on the republican budget and the decision of the maslikhat on the local budget are developed respectively by the central authorized body for budget planning and the local authorized body for state planning.

The draft decision of the akim of a town of district significance, village, settlement, rural district on the implementation of the decision of the district (town of regional significance) maslikhat on the local budget is developed by the akim's office of the relevant administrative-territorial unit.

2. Resolutions of the Government of the Republic of Kazakhstan and local executive bodies (the decision of the akim of a town of district significance, village, settlement, rural district) on the implementation of the law on the republican budget and the decision of the maslikhat on the local budget provide instructions to the authorized body for budget execution, the akim's office of the relevant administrative-territorial unit, administrators of budget programs to ensure timely budget execution, to local executive bodies and the akim's office of the relevant administrative-territorial unit regarding the use of targeted transfers and loans from a higher budget.

The following is attached to the resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget:

1) distribution of targeted current transfers and loans to regional budgets, budgets of cities of republican significance, the capital;

2) distribution of the total amount of the reserve for initiatives of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan by administrators of budget programs and types of reserve;

3) the list of republican budget investments, including budget investments in the context of facilities, as well as targeted transfers for development and budget loans in the context of regions, cities of republican significance, the capital for the planned period;

4) the list of public-private partnership projects planned for implementation, requiring financing of state obligations for public-private partnership projects from the republican budget;

5) a list of government assignments for the planned period, indicating the administrators of republican budget programs and legal entities to whom the law on the republican budget provides budgetary funds for the performance of government assignments;

6) other data or indicators necessary for the implementation of the law on the republican budget, the definition of which is entrusted to the Government of the Republic of Kazakhstan.

The following documents are attached to the resolution of local executive bodies on the implementation of the maslikhat decision on the local budget:

1) allocation of targeted transfers and loans to the budgets of districts (towns of regional significance), towns of district significance, villages, settlements, rural districts, respectively;

2) distribution of the total amount of the reserve of the local executive body by types of reserve;

3) a list of priority local budget investments, including investment projects in the context of facilities, as well as targeted development transfers in the context of districts, towns of regional significance, towns of district significance, villages, settlements, rural districts for the planned period;

4) a list of public-private partnership projects planned for implementation that require financing of government obligations for public-private partnership projects from the local budget;

5) other data or indicators necessary for the implementation of the decision of the district (town of regional significance) maslikhat on the local budget, the determination of which is entrusted to the local executive body.

The following is attached to the decision of the akim of a town of district significance, village, settlement, rural district on the implementation of the decision of the maslikhat on the budgets of towns of district significance, villages, settlements, rural districts:

1) a list of local budget investments, including investment projects by facilities;

2) other data or indicators necessary for the implementation of the maslikhat's decision on the budgets of towns of district significance, villages, settlements, rural districts, the



determination of which is entrusted to the akim's office of the relevant administrative-territorial unit.

3. The resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget, the resolution of local executive bodies on the implementation of the decision of the maslikhat on the local budget, the decision of the akim of the town of district significance, village, settlement, rural district on the implementation of the decision of the maslikhat on the budgets of towns of district significance, villages, settlements, rural districts when approving the budget shall be accompanied by a list of budgetary programs for which additional use of budgetary funds is permitted in the next financial year in accordance with paragraph 2 of Article 115 of this Code.

4. In case of clarification of the republican budget, the resolution of the Government of the Republic of Kazakhstan on amendments and additions to the resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget is approved within ten calendar days from the date of signing by the President of the Republic of Kazakhstan the law on amendments and additions to the law on the republican budget.

In case of clarification of the local budget, the resolution of the local executive body (decision of the akim of the town of district significance, village, settlement, rural district) on amendments and additions to the resolution of the local executive body (decision of the akim of the town of district significance, village, settlement, rural district) on the implementation of the maslikhat decision on the local budget is approved within two weeks after approval of the decisions of the maslikhat on amendments and additions to the maslikhat's decision on the local budget.

## **Chapter 18. BUDGET CLARIFICATION**

### **Article 94. General provisions on budget clarification**

1. Clarification of the republican and local budgets is the process of changing approved (clarified) indicators of the republican and local budgets during a financial year by making amendments and additions to the law on the republican budget or the maslikhat's decision on the local budget.

2. Clarification of the republican or local budget during the current fiscal year is carried out on the basis of recommendations of the Government of the Republic of Kazakhstan and (or) deputies of the Parliament of the Republic of Kazakhstan, akims, deputies of maslikhats and (or) members of local community assemblies in accordance with the legislative acts of the Republic of Kazakhstan and this Code in the following cases:

1) the need to eliminate situations threatening the political, economic, environmental and social stability of the Republic of Kazakhstan;

- 2) the need to implement the instructions of the President of the Republic of Kazakhstan;
- 3) provided for in paragraph 7 of Article 99, paragraph 7 of Article 116 of this Code.

3. Based on the recommendations of the relevant budget commission on amendments and additions to the law on the republican budget or the decision of the maslikhat on the local budget, the authorized budget execution body has the right to suspend operations on budget programs for which a decision has been taken to reduce budget funds.

4. When developing a draft law on clarifying the republican and local budgets, the requirements established by paragraphs 2, 3, 5 and 7 of Article 70 of this Code are observed.

#### **Article 95. Clarification of the republican budget**

1. When clarifying the republican budget, amendments and additions are made to the law on the republican budget in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

2. Recommendations for clarifying the republican budget are considered by the Republican budget commission.

3. Taking into account the recommendation of the Republican budget commission to clarify the republican budget for the current fiscal year, the relevant administrators of the republican budget programs shall submit budget requests to the central authorized body for budget planning within five working days after the meeting of the Republican budget commission.

The central authorized body for budget planning reviews budget requests within five working days, prepares conclusions on them and submits them to the Republican budget commission for consideration.

4. Taking into account the proposal of the Republican Budget Commission, the central authorized body for budget planning shall, within five working days, draw up a draft of the revised republican budget and submit it for consideration to the Republican Budget Commission.

5. The central authorized body for budget planning, based on the recommendation of the Republican budget commission on the draft of the updated republican budget, draws up a draft law on amendments and additions to the law on the republican budget and submits it to the Government of the Republic of Kazakhstan for consideration.

6. The draft law on amendments and additions to the law on the republican budget is accompanied by:

- 1) the draft republican budget for the current fiscal year, formed by a separate appendix in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs. The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

The size of the non-oil budget deficit (surplus) is expressed in monetary terms;

2) the volume of receipts for the current fiscal year allocated to the National Fund of the Republic of Kazakhstan;

3) a list of republican and local budget programs (subprograms) for the current fiscal year that are not subject to sequestration during budget execution;

4) aggregated summary information on the passports of budget programs of budget program administrators.

7. The Government of the Republic of Kazakhstan, simultaneously with the draft law on amendments and additions to the law on the republican budget, submits the following documents and materials to the Parliament of the Republic of Kazakhstan:

1) updated forecast of socio-economic development of the Republic of Kazakhstan;

2) an explanatory note disclosing the decisions included in the draft of the updated republican budget;

3) documents of administrators of budget programs, including:

budget requests;

an explanatory note containing:

a description of the changes and additions to the budget programs, their need to achieve the goals and target indicators of the development plan of the state body;

description of the goals, target indicators and planned final results provided for in the passports of budget programs, which are being amended and supplemented, in conjunction with the goals and target indicators of the development plan;

changes in the directions of budget spending in the context of budget programs and budget subprograms, a brief description of the changes in the activities provided for in the passports of budget programs.

**Footnote. Article 95 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 96. Clarification of the local budget**

1. Recommendations for clarifying the local budget are considered:

for the regional budget, the budgets of the city of republican significance, the capital, and the district (town of regional significance) budget – by the relevant budget commission;

for the budget of a town of district significance, village, settlement, rural district – by a meeting of the local community, then by the budget commission of the corresponding district (town of regional significance).

2. The clarification of the district (town of regional significance) budget on receipts distributed according to the budget legislation of the Republic of Kazakhstan between the regional budget and district (town of regional significance) budgets is carried out in coordination with the local authorized body of the region for state planning.

3. In the event that the clarification of local budgets is carried out in connection with the clarification of a higher budget, the relevant decision of the maslikhat is taken no later than

two weeks after the signing of the resolution of the Government of the Republic of Kazakhstan or the local executive body on amendments and additions to the resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget or the local executive body on the implementation of the decision of the maslikhat on the appropriate budget.

4. When clarifying the local budget, amendments and additions are made to the decision of the maslikhat on the local budget in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

5. Taking into account the recommendation of the budget commission of a region, a city of republican significance, the capital, or the office of the akim of an administrative-territorial unit, the budget commission of a district (town of regional significance) on clarifying the local budget for the current fiscal year, administrators of local budget programs shall, within five working days after the meeting of the budget commission, submit budget requests to the local authorized body for state planning.

The local authorized body for state planning considers budget requests within five working days, prepares conclusions on them and submits them for consideration to the budget commission of the region, the city of republican significance, the capital or the office of the akim of an administrative-territorial unit, the budget commission of the district (town of regional significance).

6. Taking into account the recommendation of the budget commission of the region, the city of republican significance, the capital, or the office of the akim of an administrative-territorial unit, the budget commission of the district (town of regional significance), the local authorized body for state planning draws up a draft of the updated local budget and submits it for consideration by the budget commission of the region, the city of republican significance, the capital, or the office of the akim of the administrative-territorial unit, budget commission of the district (town of regional significance).

7. The local authorized body for state planning, based on a recommendation from the budget commission of the region, the city of republican significance, the capital, or the office of the akim of an administrative-territorial unit, the budget commission of the district (town of regional significance) on the draft local budget, draws up a draft decision of the maslikhat on amendments and additions to the decision of the maslikhat on the local budget within ten working days and submits it to the local executive body for consideration.

8. The draft decision of the maslikhat on amendments and additions to the decision of the maslikhat on the local budget is accompanied by:

1) the draft local budget for the current financial year, formed by a separate appendix in accordance with the structure defined by this Code and the unified budget classification.

At the same time, receipts are presented by categories, classes and subclasses, and expenditures are presented by functional groups, administrators of budget programs and budget programs.

The section "Financing the budget deficit (using the surplus)" is represented by the total amount.

The size of the non-oil budget deficit (surplus) is expressed in monetary terms;

2) a list of local budget programs (subprograms) for the current fiscal year that are not subject to sequestration during budget execution;

3) budget programs of each district in the city;

4) aggregated summary information on budget program passports of budget program administrators;

5) other data.

9. The local executive body, simultaneously with the draft decision of the maslikhat on amendments and additions to the decision of the maslikhat on the local budget, submits the following documents and materials to the maslikhat:

1) an explanatory note disclosing the decisions included in the draft of the updated local budget;

2) documents of administrators of budget programs, including:

budget requests;

an explanatory note containing:

a description of the amendments and additions to the passports of budget programs, their need to achieve the goals and target indicators of the development plan of the region, the city of republican significance, the capital;

description of the goals, target indicators and planned final results provided for in the passports of budget programs, which are being amended and supplemented, in conjunction with the goals and target indicators of the development plan of the region, the city of republican significance, the capital;

changes in the directions of budget spending in the context of budget programs and budget subprograms, a brief description of the changes in the activities provided for in the passports of budget programs.

**Footnote. Article 96 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

## **Chapter 19. SEQUESTRATION AND BUDGET ADJUSTMENTS**

### **Article 97. Sequestration**

1. Sequestration is a special mechanism providing for a reduction in budget expenditures within certain limits, which is introduced in cases when, in the execution of the republican

and local budgets, the approved revenues are not available to the republican and local budgets, as a result of which it becomes impossible to finance fully approved budget programs.

2. Sequestration in the amount of less than ten percent of the annual approved (clarified) volume of expenditures, with the exception of expenditures of budget programs (subprograms) that are not subject to sequestration, may be carried out by decision of the Government of the Republic of Kazakhstan or a local executive body (akim of a town of district significance, village, settlement, rural district), in the amount of more than ten percent. – on the basis of the law on the republican budget or the decision of the maslikhat on the local budget.

3. On the basis of a resolution of the Government of the Republic of Kazakhstan or a local executive body on sequestration, the authorized budget planning body, in accordance with the procedure established by this Code, adjusts the relevant budget by changing budget receipts and expenditures.

Based on the decision of the akim of a town of district significance, village, settlement, rural district on sequestration, the akim's office of the relevant administrative-territorial unit, in accordance with the procedure established by this Code, adjusts the relevant budget by changing budget receipts and expenditures.

4. When reducing budget programs (subprograms), their priority and social orientation are taken into account, as well as the requirement of part two of paragraph 6 of Article 70 of this Code.

The list of republican and local budget programs (subprograms) for the next fiscal year that are not subject to sequestration during budget execution is approved by the law on the republican budget.

5. With the adoption of a decision by the relevant budget commission on sequestration, the authorized budget execution body suspends registration of civil law transactions and payments under budget programs (subprograms) for which sequestration is planned.

6. During sequestration, budget program administrators prepare budget requests for the current fiscal year and submit them to the central authorized body for budget planning or the relevant local authorized body for state planning.

7. The regulation of relations arising from sequestration in civil law transactions concluded at the expense of budget funds is carried out in accordance with the civil legislation of the Republic of Kazakhstan.

## **Article 98. Budget adjustment**

1. Budget adjustment is the process of changing the indicators of the approved (clarified) budget on the basis of resolutions of the Government of the Republic of Kazakhstan and local executive bodies, decisions of akims of towns of district significance, villages, settlement, rural districts and other regulatory legal acts of the Republic of Kazakhstan by making amendments and additions to the consolidated plan of receipts and financing of payments, the consolidated plan of financing under obligations for the next financial year in accordance with the procedure determined by the central authorized body for budget execution.

If the budget is clarified after the adjustment, the adjusted budget indicators are reflected in the updated budget, with the exception of the allocated budget programs.

2. The republican budget is adjusted in the following cases:

1) formation, liquidation, reorganization, changes in the functions and staffing limits of central government agencies and their structural and territorial divisions.

At the same time, the budget adjustment consists in merging, splitting, reducing (increasing), transferring the relevant budget programs related to these cases, within the total amount of these budget programs approved (clarified) by the law on the republican budget;

2) redistribution of funds in the amount of no more than fifteen percent of the budget program expenditures between budget program administrators and (or) between budget programs for the current fiscal year with mandatory consideration by the Republican budget commission without changing the budget structure.

The central authorized body for budget planning after making adjustments to the republican budget in the cases provided for in subparagraph 2) of this paragraph, provides information on changes in the indicators of the approved (clarified) republican budget to the Parliament of the Republic of Kazakhstan no later than five working days.

It is not allowed to redistribute funds for the use of loans and grants.

The provisions of paragraph one of this subparagraph regarding the limitation of the amount of redistributable funds when adjusting the budget do not apply to the reserve for initiatives of the President of the Republic of Kazakhstan and the reserve of the Government of the Republic of Kazakhstan;

3) allocation of funds of the approved distributable budget program among various administrators of budget programs;

4) provided for in paragraphs 4 and 9 of Article 20 of this Code;

5) provided for by paragraph 3 of Article 97 of this Code;

6) provided for in paragraphs 1, 2 and 5 of Article 115 of this Code;

7) provided for in paragraphs 5 and 6 of Article 116 of this Code;

8) provided for by paragraph 7 of Article 119 of this Code.

3. The adjustment of the local budget is carried out in the following cases:

1) formation, liquidation, reorganization, changes in the functions and staffing limits of executive bodies funded from the local budget, and their structural and territorial divisions. At the same time, the budget adjustment consists in merging, dividing, reducing (increasing), and transferring the relevant budget programs related to these cases, within the total amount of these budget programs approved (clarified) by the maslikhat's decision on the local budget;

2) allocation of additional and (or) changes in the volume of allocated targeted transfers and budget loans from the higher budget;

3) allocation during the financial year of funds from the reserve for initiatives of the President of the Republic of Kazakhstan, reserves of the Government of the Republic of Kazakhstan, local executive bodies of the region and district (town of regional significance)

to the lower budget, as well as allocation during the financial year to the lower budget of funds from the distributed budget program provided by the higher budget;

4) redistribution of funds in the amount of no more than fifteen percent of the budget program expenditures between budget program administrators and (or) between budget programs, with the exception of budget programs (subprograms) funded from a higher budget , for the current fiscal year with mandatory consideration by the local budget commission without changing the budget structure.

The redistribution of funds for the use of loans is not allowed;

5) allocation of funds of the approved distributable budget program among various administrators of budget programs;

6) provided for by paragraphs 4 and 9 of Article 20 of this Code;

7) provided for by paragraph 3 of Article 97 of this Code;

8) provided for by paragraphs 1, 2 and 5 of Article 115 of this Code;

9) provided for by paragraphs 5 and 6 of Article 116 of this Code;

10) provided for by paragraph 4 of this Article;

11) repayment and servicing of the debt of the local executive body.

4. The budget of a town of district significance, village, settlement, rural district is adjusted in the event of a redistribution of funds in the amount of no more than twenty percent of the budget program expenditures for the current financial year according to the approved (clarified) budget, with the exception of budget programs (subprograms) funded by targeted transfers from the district (town of regional significance) budget, between budget programs in case of non-use of budget funds and (or) ineffective execution of budget programs during the current fiscal year based on the results of budget monitoring without changing the budget structure with mandatory coordination with the local community meeting .

## **Chapter 20. DEVELOPMENT, INTRODUCTION OR TERMINATION OF THE EMERGENCY STATE BUDGET**

### **Article 99. The basis for the development, introduction or termination of the emergency state budget**

1. The basis for the development, introduction or termination of the emergency state budget is the decrees of the President of the Republic of Kazakhstan on the introduction or complete or partial abolition of the state of emergency or martial law on the territory of the Republic of Kazakhstan.

2. The introduction of a state of emergency on the territory of several regions of the Republic of Kazakhstan at the same time may be the basis for the introduction of an emergency state budget only if the consequences of the state of emergency may pose a real threat to the national interests and economic security of the republic.



3. The emergency state budget is developed by the central authorized body for budget planning and approved by decree of the President of the Republic of Kazakhstan in accordance with the procedure established by the legislation of the Republic of Kazakhstan.

4. The Parliament of the Republic of Kazakhstan is immediately informed about the adoption of the emergency state budget.

5. For the duration of the emergency state budget, the law on the republican budget and decisions of maslikhats on budgets of all levels of the local budget are suspended.

6. The emergency state budget is valid for the period for which the state of emergency or martial law has been imposed.

7. With the termination of the emergency state budget, the republican and local budgets are being clarified.

#### **Article 100. Development of the draft emergency state budget**

1. When the President of the Republic of Kazakhstan introduces a state of emergency or martial law, the relevant state bodies shall submit budget requests to the central authorized body for budget planning for financing activities carried out during the period of the state of emergency or martial law.

2. The Central authorized body for budget planning shall draw up a list and volumes of budget programs for financing measures of emergency or martial law and submit them for consideration by the Republican budget commission.

3. After approval by the Republican budget commission of the lists and volumes of budget programs specified in paragraph 2 of this article, the central authorized body for budget planning shall draft a decree of the President of the Republic of Kazakhstan on the emergency state budget. The following documents are attached to the draft decree of the President of the Republic of Kazakhstan on the emergency state budget:

1) the emergency state budget, which is drawn up according to the structure established by this Code;

2) indicators of the republican and local budgets included in the state emergency budget and adjusted to meet the need to finance measures of emergency or martial law.

4. The draft decree of the President of the Republic of Kazakhstan on the emergency state budget is submitted by the Government of the Republic of Kazakhstan for approval to the President of the Republic of Kazakhstan in accordance with the procedure established by the legislation of the Republic of Kazakhstan, unless otherwise provided by the decree of the President of the Republic of Kazakhstan on the introduction of a state of emergency or martial law.

### **SECTION 5. BUDGET EXECUTION Chapter 21. GENERAL PROVISIONS ON BUDGET EXECUTION**

#### **Article 101. General provisions on budget execution**

1. Budget execution is the implementation of a set of measures to ensure budget revenues, the implementation of budget programs (subprograms), and the financing of budget deficits (using surpluses).

The execution of the expenditure budget includes the use by the administrators of budget programs themselves and their subordinate state institutions of the budget funds allocated to them in accordance with the requirements of this Code and the provisions of relevant regulatory legal acts in order to achieve performance indicators.

2. The execution of the republican budget is ensured by the Government of the Republic of Kazakhstan.

3. The execution of local budgets is ensured by local executive bodies.

The execution of the budget of a town of district significance, village, settlement, rural district is ensured by the office of the akim of the corresponding administrative-territorial unit.

4. The central authorized body for budget execution provides guidance in the field of budget execution, develops and approves, within its competence, regulatory legal acts on the execution of republican and local budgets, provides methodological guidance in the field of execution of republican and local budgets, accounting and budgetary accounting, financial and budgetary reporting.

5. Budget execution begins on January 1 and ends on December 31 of the current fiscal year.

All operations of the current financial year related to the transfer of budget receipts and payments from the budget are completed on December 31 of the current financial year.

Receipts credited to the budget after December 31 of the current fiscal year are considered receipts of the new fiscal year.

Balances of scheduled allocations that have not been used up to and including the end of December 31 of the current financial year are canceled.

It is not allowed to transfer the remaining budget funds under budget programs formed as of December 31 of the current financial year to letter-of-credit and other off-budget accounts.

6. Budget execution is carried out within the limits of the budget funds for the relevant financial year approved by the law on the republican budget or the decision of the maslikhat on the local budget.

When executing the budget, the use of budgetary funds in the current financial year provided for in the second and (or) third financial years of the planned period is not allowed.

7. The organization of budget execution and coordination of the activities of administrators of budget programs for budget execution are entrusted to the relevant authorized body for budget execution.

8. The treasury budget execution procedures and their cash services are determined by the central authorized body for budget execution, with the exception of budget execution procedures by special state bodies, which are determined by special state bodies in

coordination with the central authorized body for budget execution, as well as budget execution procedures for the implementation of a pilot national project in the field of education, which are determined by the authorized body in the field of education in coordination with the central authorized body for budget execution.

**Article 102. Specifics of execution of money from the sale of goods (works, services) by government agencies remaining at their disposal**

Footnote. Paragraph 1 of Article 102 has been suspended, and from 01.01.2025 to 04.01.2025 it is valid in the wording of subparagraph 1) of paragraph 2 of Article 172 of this Code.

1. Money from the sale of goods (works, services) by state institutions, which are granted the right by the laws of the Republic of Kazakhstan to carry out income-generating activities, is subject to transfer to the relevant budget, with the exception of money from the sale of goods (works, services) produced by state institutions in the fields of science, education, physical culture and sports, variety testing, veterinary medicine, forestry farms, specially protected natural territories, state institutions of special state and law enforcement agencies in the field of medical care within the guaranteed volume of free medical care and the system of compulsory social health insurance, as well as state institutions of the Armed Forces of the Republic of Kazakhstan, state libraries, state museums, museum reserves and state archives, in accordance with the laws of the Republic of Kazakhstan.

2. The purchase of goods (works, services) at the expense of money from the sale of goods (works, services) by state institutions remaining at their disposal is carried out in accordance with the legislation of the Republic of Kazakhstan on public procurement.

3. Registration of civil law transactions at the expense of money from the sale of goods (works, services) by a state institution remaining at its disposal shall be carried out in accordance with Article 109 of this Code.

4. The procedure for organizing and implementing measures for the money received by state institutions from the sale of goods (works, services) remaining at their disposal, as well as the classifier of the list of goods (works, services) of state institutions maintained at the expense of the republican or local budget, the money from the sale of which remains at their disposal, shall be determined by the central authorized body for budget execution.

5. The procedure for carrying out paid activities for the sale of goods (works, services) by state institutions, the money from the sale of which remains at their disposal, and the use of money from the sale of goods (works, services) by state institutions remaining at their disposal, is determined by the central state body of the relevant industry (area).

6. The procedure for drawing up, approving, submitting and executing a plan of receipts and expenditures of money from the sale of goods (works, services) of a state institution remaining at its disposal, and a consolidated plan of receipts and expenditures of money from the sale of goods (works, services) by state institutions remaining at their disposal, is determined by the central authorized body for budget execution.

## **Article 103. Budget execution process**

Budget execution procedures include:

- 1) preparation by government agencies of individual financing plans for obligations and payments and their submission to administrators of budget programs;
- 2) preparation by administrators of budget programs of financing plans for obligations and payments and their submission to the state treasury and (or) the local authorized body for budget execution;
- 3) preparation by the central authorized body for budget execution of a consolidated plan for republican budget receipts, the state treasury and (or) the local authorized body for budget execution, respectively, a consolidated plan for financing obligations, a consolidated plan for receipts and financing payments for the republican and local budgets;
- 4) execution of the revenue budget by crediting revenue to a unified treasury account;
- 5) execution of the expenditure budget by writing off funds from a unified treasury account as a result of payments and transfers made by government agencies in accordance with registered civil law transactions and other obligations.

## **Chapter 22. TREASURY BUDGET EXECUTION**

### **Article 104. General provisions on treasury budget execution**

1. Treasury execution of the budget is the implementation of a set of measures in accordance with the legislation of the Republic of Kazakhstan to ensure the execution of the republican budget and cash services for the execution of local budgets, the National Fund of the Republic of Kazakhstan, extra-budgetary funds formed by non-tax payments.

2. Treasury support is the activity of carrying out routine control in accordance with Article 110 of this Code over the targeted use of funds allocated for advance payments in the implementation of budget investment projects related to construction, when making payments through cash control accounts.

Treasury support does not apply to budget investments aimed at financing investment costs of autonomous educational organizations.

3. Treasury execution of the budget is provided by the state treasury and the state treasury bodies in accordance with the procedure determined by the central authorized body for budget execution.

4. Treasury budget execution procedures include:

- 1) transfer of receipts to a unified treasury account;
- 2) formation, approval and maintenance of a consolidated plan of financing for obligations, a consolidated plan of receipts and financing for payments under the republican budget, acceptance and maintenance of individual plans of financing for obligations and payments of state institutions, plans of financing for obligations and payments of administrators of budget programs under the republican budget and receipt of certificates of amendments to them;

3) receiving and maintaining a consolidated plan of receipts and financing for payments, a consolidated plan of financing for obligations of local budgets, individual plans of financing for obligations and payments of state institutions, plans of financing for obligations and payments of administrators of budget programs of local budgets and receiving certificates of amendments to them;

4) opening, maintaining and closing codes, cash control accounts and accounts;

5) registration of civil law transactions of state institutions, making payments and money transfers in national and foreign currencies, and carrying out routine control in accordance with the procedure established by this Code;

6) liquidity management;

7) implementation of financial procedures for the withdrawal and accounting of funds from government external loans, related grants and co-financing funds and attraction of guaranteed and targeted transfers from the National Fund of the Republic of Kazakhstan;

8) implementation of other procedures provided for by the legislation of the Republic of Kazakhstan.

**Article 105. Individual financing plan for obligations and payments of a public institution, financing plan for obligations and payments of the administrator of budget programs, a consolidated plan of receipts and financing for payments, a consolidated plan of financing for obligations**

1. Individual financing plans for obligations and payments of state institutions, financing plans for obligations and payments of administrators of budget programs, a consolidated plan of receipts and financing for payments, a consolidated plan of financing for obligations are developed in accordance with:

the law on the republican budget and decisions of maslikhats on local budgets for the next fiscal year;

resolutions of the Government of the Republic of Kazakhstan and local executive bodies, the decision of the akim of the town of district significance, village, settlement, rural district on the implementation of the republican and local budgets for the next fiscal year;

development plans of government agencies;

plans for the development of the region, the city of republican significance, the capital; development plans and (or) action plans of quasi-public sector entities;

budget programs of budget program administrators.

2. Individual financing plans for obligations and payments of state institutions are developed by state institutions according to the functional and economic classifications of budget expenditures and submitted to administrators of budget programs for their approval and development of financing plans for obligations and payments of administrators of budget programs.

3. The total amounts of expenses for individual financing plans for obligations and payments must correspond to the consolidated financing plans for obligations and payments.

4. Financing plans for obligations and payments of administrators of budget programs are developed by administrators of budget programs according to functional and economic classifications of expenses and transferred at the level of budget programs to the state treasury or the local authorized body for budget execution, except for administrators of budget programs financed from budgets of towns of district significance, villages, settlements, rural districts, which transfer them to the offices of the akims of the respective administrative-territorial units.

5. The preparation, approval and maintenance of a consolidated plan of financing for obligations, a consolidated plan of receipts and financing for payments to the republican and local budgets are carried out respectively by the state treasury and the local authorized body for budget execution, with the exception of budgets of towns of district significance, villages, settlements, rural districts, for which the above procedures are carried out by the offices of akims of the respective administrative-territorial units.

6. The consolidated budget revenue plan is compiled by categories, classes, subclasses, and specifics of budget revenue classification based on the timing of payments to the budget in accordance with the laws of the Republic of Kazakhstan, the dynamics of payments to the budget in previous years, the results of an analysis of the dynamics of government securities yields and the level of supply and demand in the securities market, conditions of loan agreements, loan agreements, and related grant agreements.

The consolidated financing plans for obligations and payments are compiled by functional groups, administrators of budget programs and budget programs for the functional classification of budget expenditures based on financing plans for obligations and payments of administrators of budget programs.

The consolidated plan of receipts and financing for payments should be balanced, which means that expenses should not exceed monthly receipts with an increasing total since the beginning of the year.

7. Administrators of budget programs independently make changes to the financing plans for obligations and payments related to the specifics of the economic classification of budget expenditures and do not change the annual and monthly amounts of expenditures under the budget program.

The changes required by the administrators of budget programs in the monthly amount of expenditures under the budget program are carried out through the state treasury or the local authorized body for budget execution.

8. During the execution of the budget in the budget program (subprogram) the changes and additions are made when redistributing budget funds within one budget program between subprograms, within one budget subprogram between activities, projects, regions without changing the annual amount of expenditures under the budget program while maintaining the final result provided for in the budget program passport, in accordance with the procedure and cases determined by the central authorized body for budget execution.

The redistribution of funds from targeted transfers from the National Fund of the Republic of Kazakhstan within one budget program between subprograms, as well as within one budget subprogram between activities, projects, regions is carried out with mandatory consideration by the Republican budget commission and maintaining their intended purpose.

9. The head of the budget program shall ensure the reliability, correctness of registration and timely submission of draft financing plans of the administrator of budget programs and individual financing plans to the state treasury or the local authorized body for budget execution and the reasonableness of the redistribution of budget funds provided for in paragraph 6 of this Article.

10. The procedure for drawing up and maintaining a consolidated plan of financing for obligations, a consolidated plan of receipts and financing for payments, plans of financing for obligations and payments of administrators of budget programs, individual plans of financing for obligations and payments of state institutions is established by the central authorized body for budget execution.

#### **Article 106. Unified treasury account, cash control accounts and accounts of government agencies**

1. A unified treasury account is opened in the National Bank of the Republic of Kazakhstan in the national currency for centralized transfer operations and accounting.

A unified treasury account is opened to the state treasury in accordance with the procedure provided for by the banking legislation of the Republic of Kazakhstan.

The unified treasury account includes the remaining cash balances of the control accounts.

2. In order to carry out transactions in foreign currency and keep records of them, the National Bank of the Republic of Kazakhstan shall open accounts for the state treasury by types of foreign currencies in accordance with the procedure provided for by the banking legislation of the Republic of Kazakhstan.

3. The following cash control accounts are opened in the state treasury, intended to account transactions related to:

1) crediting receipts to the republican and local budgets and making payments from the republican and local budgets;

2) crediting proceeds from the sale of goods (works, services) by government agencies and making payments on them (cash control account for paid services);

3) crediting the receipts sent to the National Fund of the Republic of Kazakhstan and transferring them to the accounts of the Government of the Republic of Kazakhstan in the National Bank of the Republic of Kazakhstan (the cash control account of the National Fund of the Republic of Kazakhstan);

4) crediting proceeds and spending money from philanthropic activities and (or) sponsorship activities, and (or) philanthropic activities, and (or) activities to support the small motherland for government agencies they receive in accordance with the legislative acts of the Republic of Kazakhstan (cash control account of charitable assistance);

5) crediting receipts of money transferred to a state institution in accordance with the legislative acts of the Republic of Kazakhstan by individuals and (or) legal entities on the terms of their repayment or transfer upon the occurrence of certain conditions to the relevant budget or to third parties (cash control account for temporary placement of money);

6) crediting budget funds and using them for special expenses (target financing cash control account);

7) crediting funds provided for the relevant financial year by the law on the republican budget or the decision of the maslikhat on the local budget for the formation or increase of the authorized capitals of quasi-public sector entities and their use for the implementation of investment projects or the fulfillment of a state task (a cash control account of a quasi-public sector entity), except in cases of an increase in the authorized capitals of quasi-public sector entities, investing through private equity funds and/or venture funds, and also when forming the authorized capitals of quasi-public sector entities in the minimum amount established by the laws of the Republic of Kazakhstan;

8) crediting and spending money from government external loans or related grants that are converted into national currency from a special account of an external loan or related grant in accordance with international agreements on government loans ratified by the Republic of Kazakhstan or agreements on related grants (cash control account for the reconversion of an external loan or related grant);

9) crediting transfers to the social health insurance fund for a guaranteed amount of free medical care and funds transferred by the social health insurance fund and spending them (cash control account of the social health insurance fund);

10) crediting of funds and their use by the general contractor within the framework of treasury support (cash control account of public procurement);

11) crediting budget funds and using them for financial support (cash control account of the financial support operator);

12) crediting the proceeds sent to the victims compensation Fund and paying compensation provided for by the legislation of the Republic of Kazakhstan on the victims compensation Fund (cash control account of the victims compensation Fund);

13) crediting the proceeds of money sent to a Special state fund and spending them in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state (cash control account of the Special state fund);

14) crediting the proceeds of the Special state fund and spending them in accordance with the legislation of the Republic of Kazakhstan on the return of illegally acquired assets to the state (cash control account of the central and (or) local authorized body of the relevant sphere );

15) crediting budget funds and their use by a quasi-public sector entity for the implementation (introduction) of a pilot project for the implementation of a set of works and



services within the framework of the pilot project (cash control account of a quasi-public sector entity for the implementation of the pilot project);

16) crediting of budgetary funds and their expenditure by autonomous educational organizations for the implementation of budgetary investments aimed at financing investment costs of autonomous educational organizations (cash control account of autonomous educational organizations);

17) crediting and spending funds of non-governmental loans secured by a state guarantee in accordance with agreements of non-governmental loans secured by a state guarantee (non-governmental loans cash control account);

18) crediting and spending by borrowers of funds intended for servicing and repayment of non-governmental loans secured by a state guarantee of the Republic of Kazakhstan, in accordance with agreements on the provision of a state guarantee (a cash service control account in the national currency);

19) crediting and spending funds from an external loan of a local executive body of a city of republican significance with a special status defined by a legislative act of the Republic of Kazakhstan to finance projects classified as "green" according to the environmental legislation of the Republic of Kazakhstan (a cash control account of an external loan of a city of republican significance with a special status);

20) crediting receipts distributed according to established standards between the budgets of the member states of the Eurasian Economic Union and transferring them to accounts opened in the National Bank of the Republic of Kazakhstan for the member states of the Eurasian Economic Union (cash control account of the member states of the Eurasian Economic Union);

21) crediting and spending of funds provided for the relevant financial year by the law on the republican budget for budgetary crediting of a budget investment project, implementation of state investment policy by financial agencies and ensuring food security (control account of cash of budget loans);

22) crediting and (or) transferring by a unified operator in the field of public procurement in order to ensure the safety of money from the electronic wallet of potential suppliers and suppliers in accordance with the procedure determined by the authorized body in the field of public procurement (cash control account of a unified operator in the field of public procurement).

4. Transactions on receipts and (or) payments made, and (or) money transfers from cash control accounts of the relevant budgets, the National Fund of the Republic of Kazakhstan, extra-budgetary funds formed from non-tax payments, from the sale of goods (works, services) by state institutions are accounted for in accordance with the unified budget classification and codes of state institutions.

Transactions on receipts and payments made on cash control accounts of charitable assistance, temporary placement of money, targeted financing, reconversion of external loans

or related grants, and accounts in foreign currency are accounted for in accordance with the codes of government agencies.

Money transfer from one government agency's code to another government agency's code is not allowed.

5. The procedure for opening, maintaining and closing cash control accounts shall be established by the central authorized body for budget execution.

6. State institutions may have accounts for making payments and conducting transactions established by this Code:

1) a foreign currency account opened by the state treasury to a state institution by type of currency for conducting transactions in foreign currency;

2) a special account of an external loan or related grant opened in a foreign currency stipulated in an international agreement on a state loan ratified by the Republic of Kazakhstan, or for related grants in a second-tier bank or the state treasury, renewable through advance payments of a government external loan or related grant;

3) an account for an external loan or related grant account opened with a second-tier bank or the state treasury for making payments in national (foreign) currency;

4) an account to the cash control account of an external loan of a local executive body of a city of republican significance with a special status opened in the state treasury in foreign currency;

5) a revolving account of a budget investment project opened in a second-tier bank for the period of implementation of the budget investment project, for crediting and using money returned by borrowers to repay the principal debt on a loan issued through government external loans;

6) a foreign currency account opened to an authorized state body engaged in foreign policy activities or financial support for the highest representative body of the Republic of Kazakhstan performing legislative functions, by type of currency in a second-tier bank, for crediting budget money and their use to reimburse expenses for business trips to foreign countries in accordance with the procedure established by the legislation of the Republic of Kazakhstan;

7) a current account with a second-tier bank for receiving cash on bank checks and (or) using a corporate payment card.

The opening of accounts by state institutions in second-tier banks not provided for in part one of this paragraph, including in the name of third parties, is not allowed.

The accounts of state institutions in the state treasury are opened, maintained and closed in accordance with the procedure established by the central authorized body for budget execution.

The opening, maintenance and closing of accounts of state institutions in second-tier banks or organizations engaged in certain types of banking operations are carried out in

accordance with the procedure established by the legislation of the Republic of Kazakhstan on payments and payment systems.

7. Borrowers who have attracted a government-guaranteed loan may have the following accounts:

1) a state-guaranteed loan account in foreign currency, opened in the state treasury by type of currency, for crediting and spending money by the borrower from non-state loans secured by a state guarantee, in accordance with loan agreements under the state guarantee of the Republic of Kazakhstan;

2) a foreign currency servicing account opened in the state treasury by type of currency for borrowers to carry out operations for servicing and repayment of non-governmental loans secured by a state guarantee of the Republic of Kazakhstan, in accordance with agreements on the provision of a state guarantee.

8. The opening, maintenance and closing of accounts of borrowers who have attracted a government-guaranteed loan shall be carried out in accordance with the procedure determined by the central authorized body for budget execution.

#### **Article 107. Treasury budget execution of the revenue**

1. Treasury budget execution of the revenue means carrying out by the state treasury, in accordance with the legislation of the Republic of Kazakhstan, of a set of measures to ensure the completeness and timeliness of the transfer of revenue to the budget.

2. The budget execution of the revenue includes:

1) transfer of receipts to a unified treasury account;

2) distribution of revenues between the republican and local budgets, the National Fund of the Republic of Kazakhstan, extra-budgetary funds formed from non-tax payments, and the budgets of the member states of the Eurasian Economic Union;

3) the return from the budget of excessively (erroneously) paid amounts of receipts or their offset against debt repayment.

3. Budget receipts shall be made in cash and credited in full to a unified treasury account in national currency in accordance with the classification of budget receipts in accordance with the procedure established by the central authorized body for budget execution.

Receipts to the budget in foreign currency, with the exception of receipts to special accounts of external loans or related grants and accounts to special accounts of external loans or related grants, credited by the National Bank of the Republic of Kazakhstan to the accounts of the state treasury in foreign currency, must be converted and credited to a unified treasury account.

The procedure for the reconversion of foreign currency from the accounts of the state treasury is determined by the central authorized body for budget execution in coordination with the National Bank of the Republic of Kazakhstan.

The procedure for the reconversion and crediting of foreign currency by state institutions, borrowers who have attracted a state-guaranteed loan, from accounts in the state treasury is determined by the central authorized body for budget execution.

4. The state treasury and the state treasury bodies shall provide authorized bodies for non-tax revenues with access to information on receipts administered by them, in the context of payers.

5. The distribution of revenues is carried out on the basis of the table of distribution of budget revenues between budget levels approved by the central authorized body for budget planning, cash control accounts of the National Fund of the Republic of Kazakhstan, extra-budgetary funds formed from non-tax payments, and budgets of the member states of the Eurasian Economic Union, income distribution standards between local budgets, established by the decision of the relevant maslikhat, as well as a list of organizations in the oil sector.

6. Refunds from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the Special state fund and (or) offsetting of excessively (erroneously) paid amounts of receipts according to the classification codes of receipts to the budget of the unified budget classification are carried out by the state treasury bodies on the basis of payment orders from the state revenue bodies.

A payment order for a refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, a Special state fund and (or) offsetting excessively (erroneously) paid amounts of non-tax revenues to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, a Special state fund, with the exception of receipts from the sale of fixed assets administered by state revenue authorities, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, loans, is drawn up on the basis of the conclusion of the authorized bodies responsible for their collection.

The authorized body responsible for collecting non-tax revenues to the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, and a Special state fund, with the exception of receipts from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, and loans administered by state revenue authorities, draws up and submits to the state revenue authorities an opinion on refund from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the Special state fund and/or a set-off of excessively (erroneously) paid amounts.

The reliability of these conclusions and the validity of their presentation are provided by the heads of authorized bodies.

Payment orders are submitted in the form prescribed by the legislation of the Republic of Kazakhstan on payments and payment systems.

Refunds from the budget, the National Fund of the Republic of Kazakhstan, the victims compensation Fund, the Special state fund and (or) offsetting of excessively (erroneously) paid amounts of income are carried out in accordance with the procedure established by the central authorized body for budget execution.

#### **Article 108. Treasury budget execution of the expenditure**

1. Treasury budget execution of the expenditures consists in the execution of the republican and local budgets in accordance with regulatory legal acts and decisions of maslikhats, which includes the formation and maintenance of financing plans for the republican and local budgets, registration of obligations and execution of payment documents in compliance with the requirements and procedures of budget legislation.

2. The responsibility of officials to comply with the requirements of treasury budget execution of expenditures is defined by Article 41 of this Code.

#### **Article 109. Obligations of state institutions**

1. State institutions undertake obligations on the specifics of the economic classification of expenses, both with and without the conclusion of civil law transactions.

2. The conclusion of civil law transactions by a state institution is carried out in accordance with the legislation of the Republic of Kazakhstan on public procurement, budget and civil legislation of the Republic of Kazakhstan.

3. Civil law transactions of state institutions are concluded by state institutions for a period not exceeding the period established by the legislation of the Republic of Kazakhstan on public procurement, unless otherwise provided by the legislation of the Republic of Kazakhstan.

Civil law transactions of state institutions within the framework of an international agreement on government loans, ratified by the Republic of Kazakhstan, or on a related grant are concluded by state institutions:

at the expense of the loan or related grant funds – for a period not exceeding the period of availability of the loan or related grant funds;

at the expense of co-financing funds from the republican budget - for a period up to the end of the fiscal year in which the period of availability of the loan funds ends.

4. Civil law transactions of state institutions and autonomous educational organizations within the framework of budget investments come into force after their mandatory registration with the state treasury, with the exception of civil law transactions that do not require registration.

Civil law transactions during their entire validity period are subject to registration within the limits of the amounts approved by the individual financing plan for obligations for the relevant financial year and the unconditional basic expenses of a permanent nature of the budget of the second and third financial years of the planned period included in the list formed by the central authorized body for budget planning.

Registration of civil law transactions related to the construction or reconstruction of buildings, structures, roads, major repairs of premises, buildings, structures, roads and other objects shall be carried out with the mandatory presence of one of the following documents: a positive conclusion of a comprehensive non-departmental examination of design and estimate documentation, a positive conclusion of a comprehensive non-departmental examination of the feasibility study or estimated cost of turnkey construction, except for cases stipulated by the legislation of the Republic of Kazakhstan in the field of architectural, urban planning and construction activities, as well as objects for which the cost of preparing design (design and estimate) documentation shall be included in the cost of the contract.

Civil law transactions for leasing services are subject to registration with the state treasury authorities in accordance with the lease payment repayment schedule.

Registration of public procurement contracts with a term exceeding three years is carried out in accordance with the procedure determined by the central authorized body for budget execution.

Registration of civil law transactions related to the fulfillment of state assignments is carried out in accordance with the list of state assignments approved by the resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget.

Registration of a civil law transaction between the administrator of budget programs and an autonomous educational organization related to the implementation of budget investments aimed at financing investment costs of autonomous educational organizations is carried out on the basis of the list of republican budget investments approved by the resolution of the Government of the Republic of Kazakhstan on the implementation of the law on the republican budget.

5. The obligation of a state institution to pay for a civil transaction for the purchase of goods (works, services) occurs after the signing by an authorized person of this state institution of a document (act of delivery of goods, performance of works, provision of services) established by the legislation of the Republic of Kazakhstan and confirming the fact of delivery of goods (performance of work, provision of services).

Payment of obligations under civil law transactions for the purchase of goods (works, services) under public procurement contracts is carried out within the time period established by the legislation of the Republic of Kazakhstan on public procurement.

6. For registration of civil law transactions of state institutions in foreign currency, the amount of the contract is indicated in foreign currency, registration is carried out at the official exchange rate as of the registration date, established in accordance with the legislation of the Republic of Kazakhstan.

7. The confirmation document on the registration of a civil law transaction is the notification of the registration of the contract.

8. Registration of civil law transactions after December 20 of the current financial year is not allowed, except in cases of allocation of budget funds from the reserve for initiatives of the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan or a local executive body, as well as registration of contracts that are valid for more than the current financial year, and additional agreements to previously registered civil law transactions with the state treasury department.

9. The procedure for registration of civil law transactions of state institutions and autonomous educational organizations within the framework of budget investments is determined by the central authorized body for budget execution.

**Footnote. Article 109 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 110. Making payments and money transfers in national and foreign currencies**

1. Payments by state institutions for obligations are made on the basis of invoices for payment.

Payments of quasi-public sector entities, borrowers who have attracted a government-guaranteed loan, financial support operators, quasi-public sector entities for the implementation (introduction) of a pilot project, general contractors within the framework of treasury support, autonomous educational organizations for the implementation of budget investments, a unified operator in the field of public procurement are carried out on the basis of payment orders in the form established by the legislation of the Republic of Kazakhstan on payments and payment systems.

2. The invoice for payment of a state institution and the payment order of a quasi-public sector entity, a borrower who attracted a government-guaranteed loan, financial support operators, a quasi-public sector entity for the implementation (introduction) of a pilot project, general contractors within the framework of treasury support, autonomous educational organizations for the implementation of budget investments, a unified operator in the field of public procurement are the documents, which are the basis for the state treasury body to make payments and money transfers in favor of the recipient of the money.

3. Payments and money transfers of state institutions are carried out on the basis of documents confirming the validity of the payment, within the limits of balances on cash control accounts or accounts of state institutions, as well as within the limits of the amounts of planned assignments according to the individual payment financing plan and the unused balance of the notification of registration of the contract.

The transfer of budget subsidies by the administrator of budget programs is carried out to the final recipients of budget subsidies or to the cash control accounts of financial support operators for transfer to the final recipients of budget subsidies on the basis of documents confirming the validity of the payment, within the specified amounts for the current financial year, in accordance with the procedures defined by the administrators of budget programs.

The transfer of funds by the administrator of budget programs to quasi-public sector entities, financial support operators, quasi-public sector entities for the implementation (introduction) of a pilot project is carried out on the basis of documents confirming the validity of the payment in accordance with a financial and economic justification or feasibility study (design and estimate documentation), as well as another type of document provided for by the legislation of the Republic of Kazakhstan, within the limits of the amounts specified in them for the current fiscal year.

The transfer of funds by the administrator of budget programs to financial support operators and quasi-public sector entities for the implementation (introduction) of the pilot project is carried out on the basis of documents confirming the validity of the payment.

Payments and money transfers of quasi-public sector entities, financial support operators, quasi-public sector entities for the implementation (introduction) of a pilot project, general contractors within the framework of treasury support, autonomous educational organizations for the implementation of budget investments, a unified operator in the field of public procurement are carried out on the basis of documents confirming the validity of the payment, within the limits of balances on their cash control accounts.

Payments and money transfers from borrowers who have attracted a government-guaranteed loan are carried out on the basis of documents confirming the validity of the payment, within the limits of balances on government-guaranteed loan accounts and service accounts.

The state treasury body carries out ongoing control during payments, which consists in checking invoices for compliance with:

- an individual payment financing plan;

- registered civil law transactions;

- unified budget classification;

- requirements of the budget legislation of the Republic of Kazakhstan on completeness and correctness of filling out the form.

When making a payment, with the exception of the amount of an advance payment, for a registered civil law transaction, the state treasury body carries out ongoing control for the availability of a copy of the invoice or bill of lading (act) for the delivery of goods or an act of work performed or services rendered.

For expenses related to the construction or reconstruction of buildings, structures, roads, major repairs of premises, buildings, structures, roads and other facilities for which the cost of design (design and estimate) documentation is included in the contract price, the state treasury body carries out ongoing monitoring for the presence of a positive conclusion of a comprehensive non-departmental expertise of projects (technical and technical economic justification or design and estimate documentation) for construction during the payment following the advance payment.



The state treasury body carries out ongoing control over payments made by quasi-public sector entities and financial support operators, which consists in verifying payment orders for:

1) the availability of documents confirming the validity of the payment: copies of the invoice or invoice (act) for the delivery of goods, or an act of work performed, services rendered;

2) the presence of a certificate from the authorized body responsible for regulating and supervising the securities market, or a corresponding decision of the governing bodies in the case of transferring money to increase the authorized capital of a quasi-public sector entity;

3) compliance with the requirements of the banking legislation of the Republic of Kazakhstan in terms of completeness and correctness of filling out the form.

The state treasury body carries out ongoing control when making payments from government procurement cash control accounts as part of treasury support, which consists in verifying payment orders for:

1) availability of documents confirming the validity of the payment: a payment certificate and an electronic invoice;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan in terms of completeness and correctness of filling out the form.

The state treasury body carries out current control when making payments from cash control accounts of the Special state fund, central and (or) local authorized body of the relevant sphere, which consists in checking invoices for payment for:

1) the availability of documents confirming the validity of the payment: copies of the invoice or invoice (act) for the delivery of goods, or an act of work performed, services rendered;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan in terms of completeness and correctness of filling out the form.

The state treasury body carries out ongoing control when making payments from the cash control account of a quasi-public sector entity for the implementation of a pilot project, which consists in verifying payment orders for:

1) the availability of documents confirming the validity of the payment: an electronic invoice and a certificate of the cost of the work performed;

2) compliance with the requirements of the banking legislation of the Republic of Kazakhstan in terms of completeness and correctness of filling out the form.

4. Payments and money transfers of state institutions are not allowed without a registered civil law transaction based on the specifics of the economic classification of expenses, according to which registration of concluded civil law transactions is mandatory.

The list of specifics of the economic classification of expenses, including the types of expenses for which registration of concluded civil law transactions is mandatory, is determined by the central authorized body for budget execution.

The methods of making payments and (or) money transfers during budget transactions are determined by the legislation of the Republic of Kazakhstan on payments and payment systems, the budget legislation of the Republic of Kazakhstan or international treaties ratified by the Republic of Kazakhstan.

The procedure for making payments and money transfers during budget operations is determined by the central authorized body for budget execution.

5. Payments and money transfers in foreign currency by types of currencies by state institutions, borrowers who have attracted a government-guaranteed loan, are carried out in favor of non-residents of the Republic of Kazakhstan by conducting operations for the conversion and transfer of foreign currency.

Conversion or reconversion of foreign currency by type of currency is carried out at the official exchange rate determined in accordance with the procedure established by the legislation of the Republic of Kazakhstan on the date of conversion or reconversion.

Converted foreign currency to the account of a state institution in foreign currency by type of currency or from the account of a quasi-public sector entity must be used for its intended purpose in accordance with the procedure and within the time limits determined by the central authorized body for budget execution.

Unused or underused foreign currency must be converted after the expiration of the specified period, followed by the restoration of the amount in national currency to the budget classification code of a state institution or to the account of a quasi-public sector entity from which the foreign currency was converted.

The procedure for making payments and money transfers in foreign currency during budget operations is determined by the central authorized body for budget execution.

#### **Article 111. Suspension of registration of civil law transactions and payments and money transfers**

1. The state treasury body suspends the acceptance of documents from state institutions for the registration of civil law transactions and payments and money transfers in the following cases:

- 1) making changes to individual financing plans for obligations and payments;
- 2) issuing collection orders, except for the cases provided for in paragraph 2 of Article 112 of this Code;
- 3) if the state institution has not carried out the procedure for reconverting the remainder of the unused or underused converted foreign currency;
- 4) if the local executive body has not refunded the amount of the budget loan to the higher budget that allocated it, within the time period stipulated by the terms of the loan agreement;
- 5) sequestration;
- 6) if the administrator of budget programs has not submitted annual financial statements in accordance with the procedure and deadlines established by the state treasury;

- 7) the seizure of authorized bodies and (or) the issuance of an act of a judicial authority, with the exception of the cases provided for in paragraph 2 of Article 112 of this Code;
- 8) issuing an order from the tax authority and the internal state audit authority, with the exception of the cases provided for in paragraph 2 of Article 112 of this Code;
- 9) violations of deadlines for transferring amounts of budget withdrawals;
- 10) violations of the deadlines for transferring targeted transfers to the republican budget;
- 11) the absence or insufficiency of money in the cash control account of the relevant budget.

2. The suspension of operations on registration of civil law transactions and payments of state institutions, quasi-public sector entities, and the general contractor within the framework of treasury support shall be carried out in accordance with the procedure and terms determined by the central authorized body for budget execution.

### **Article 112. Collection order**

1. A collection order is a document that is the basis for compulsory execution by a state institution, as well as by a quasi-public sector entity, for the fulfillment of a state assignment or for the increase (formation) of the authorized capital of which the funds are provided for the relevant financial year in the law on the republican budget or the decision of the maslikhat on the local budget, an executive document, as well as a document related to repayment of accumulated tax arrears and arrears on mandatory pension contributions, mandatory occupational pension contributions, deductions and (or) contributions to compulsory social health insurance or social contributions, arrears incurred in cases provided for by the customs legislation of the Republic of Kazakhstan.

A collection order is a document confirming the validity of a payment by a state institution and a quasi-public sector entity.

A collection order is drawn up on the basis of an executive document and on other grounds provided for by the laws of the Republic of Kazakhstan, with the exception of collection orders of the state revenue authorities of the Republic of Kazakhstan.

Collection orders of the state revenue authorities are presented without the attachment of documents confirming the validity of this penalty.

Collection orders can be issued to the code of a state institution, cash control accounts for paid services, charitable assistance, as well as to cash control accounts of quasi-public sector entities, for the fulfillment of a state assignment or for the increase (formation) of authorized capitals of which funds are provided for the relevant financial year in the law on the republican budget or in the decision of the maslikhat on the local budget.

In the event of obligations to execute a collection order for an investment project, this collection order is issued to the cash control account of the quasi-public sector entity through which the financing of this investment project is carried out.

2. It is not allowed to issue collection orders to a unified treasury account and accounts in foreign currency opened to the central authorized body for budget execution, special accounts

for external loans or related grants, accounts for special accounts for external loans or related grants, cash control accounts of the relevant budgets, the National Fund of the Republic of Kazakhstan, cash control accounts of the victims compensation Fund, Special state fund and the central and (or) local authorized body of the relevant sphere, social health insurance fund, temporary placement of money, reconversion of external loans or related grants, a quasi-public sector entity for the implementation of a pilot project, public procurement, autonomous educational organizations and a unified operator in the field of public procurement.

It is not allowed to issue a collection order for money held in the control accounts of public procurement funds, except in accordance with a judicial act in a case related to the terms of a contract concluded between a state institution and a general contractor with treasury support.

3. A collection order shall be submitted in the form prescribed by the banking legislation of the Republic of Kazakhstan.

4. Execution of collection orders is carried out in accordance with the procedure established by the central authorized body for budget execution.

### **Article 113. Liquidity management**

1. Liquidity management – the measures for managing the balance of funds on a unified treasury account, forecasting cash flow to ensure timely payments in accordance with the deadlines for budget receipts and the allocation of temporarily available budget money in various financial instruments.

2. Liquidity management is carried out by the state treasury and the local authorized body for budget execution.

3. The state treasury or the local authorized body for budget execution shall take the necessary measures to ensure cash payments in the amount provided for in the consolidated plan of receipts and financing on payments.

4. To ensure the timeliness and completeness of payments and obligations of state institutions, the state treasury or the local authorized body for budget execution:

makes a cash flow forecast, which is the process of determining the expected amounts of budget receipts and expenditures for the planned period, the cash surplus (deficit) and sources of its coverage;

monitors the movement of money in the cash control account of the relevant budget.

5. A cash surplus is an excess of the volume of expected or actual receipts to the republican and local budgets and budget balances over the volume of expected or made payments since the beginning of the current financial year.

A cash deficit is an excess of the expected or completed payments over the expected or actual receipts to the republican and local budgets and budget balances since the beginning of the current fiscal year.

6. In the case of a forecast of cash shortage in the control account of the republican budget, the cash shortage is covered by:

- borrowing in accordance with Article 139 of this Code;
- making changes to the consolidated revenue and financing plan for payments;
- attracting temporarily free budget money from local budget cash control accounts;
- attracting temporarily free budget money from the control accounts of the quasi-public sector entities.

The attraction of temporarily free budget money from the cash control accounts of local budgets and from the accounts of quasi-public sector entities and their return are carried out by concluding an agreement.

The rules for attracting temporarily free budget money from the cash control accounts of local budgets and from the accounts of quasi-public sector entities and their return, as well as the form of agreements, are approved by the central authorized body for budget execution.

7. In the case of a forecast cash shortage in the local budget cash control account, the cash shortage is covered by:

- borrowing in the form of budget loans from a higher budget in accordance with Article 140 of this Code;

- making changes to the consolidated revenue and financing plan for payments.

8. In the case of a forecast of a cash surplus in the cash control account of the relevant budget, the state treasury determines the amount of temporarily available budget money.

Temporarily free budget money is money held in a unified treasury account that is not used during a certain period of time of the current financial year.

Temporarily available budget money from a unified treasury account for receiving income to the republican budget is deposited with the National Bank of the Republic of Kazakhstan, the National postal operator and (or) second-tier banks.

The state treasury shall transfer to the income of the republican budget a daily remuneration for the remainder of the money held in a unified treasury account.

The placement of budget funds, including those received on a refundable basis, in bank accounts is not allowed, except in the cases provided for in this article.

9. The placement of temporarily available budget funds from a unified treasury account is carried out by the state treasury in accordance with the procedure determined by the Government of the Republic of Kazakhstan in coordination with the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations.

10. Placement of temporarily available budgetary funds on deposits with the National postal operator and (or) with second-tier banks and other financial instruments by quasi-public sector entities in order to receive remuneration is allowed in agreement with the state treasury.

Temporarily free budgetary funds of quasi-public sector entities are budget funds previously allocated from the budget that are not in a unified treasury account and are not used during a certain period of time of the current financial year.

Remuneration received from the placement of temporarily free budgetary funds by quasi-public sector entities on deposits with the National postal operator and (or) with second-tier banks and other financial instruments is not the income from quasi-public sector entities, and is not included in the payment of dividends on government blocks of shares, income, and shares in legal entities that are in the state property, and are allocated to the revenue of the republican budget.

Quasi-public sector entities send information on temporarily available budget funds to the state treasury in accordance with the list, procedure and form determined by the central authorized body for budget execution.

The procedure for agreeing with the state treasury on the timing and volume of placement of temporarily available budget funds by quasi-public sector entities on deposits with the National postal operator and (or) with second-tier banks and other financial instruments in order to receive remuneration is determined by the Government of the Republic of Kazakhstan in coordination with the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations.

#### **Article 114. Treasury monitoring**

1. Treasury monitoring is carried out through analyzing and collecting data in order to identify risks of violations of the budget legislation of the Republic of Kazakhstan.

2. Treasury monitoring is carried out by the state treasury and the state treasury bodies during the ongoing current control in accordance with Article 110 of this Code.

3. Treasury monitoring is carried out on the basis of financial documents of state institutions and quasi-public sector entities conducted and returned without execution.

4. The procedure for treasury monitoring is determined by the central authorized body for budget execution.

5. The results of treasury monitoring shall be applied in accordance with Article 45 of this Code.

### **Chapter 23. COMPLETION OF THE FINANCIAL YEAR**

#### **Article 115. Features of the use and additional use of budgetary funds**

1. Targeted transfers from the National Fund of the Republic of Kazakhstan, targeted transfers and budget loans from a higher budget that have not been used for their intended purpose, according to the audit report adopted based on the results of the state audit, must be returned to the National Fund of the Republic of Kazakhstan or the relevant budget, respectively, no later than three months after signing the audit report adopted based on the results of the state audit.

Transfers to legal entities that have not been used for their intended purpose, according to the audit report adopted based on the results of the state audit or completion of control over the targeted and effective use of funds from the republican budget in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Center", are subject to mandatory return to the relevant budget no later than three months after signing the audit report, adopted based on the results of a state audit or based on the results of control over the targeted and effective use of funds from the republican budget in accordance with the Constitutional Law of the Republic of Kazakhstan "On the Astana International Financial Center", with the exception of cases provided for by legislative acts of the Republic of Kazakhstan.

2. The budget funds unused in the current financial year may be reused in the next financial year in the event of a forecast of non-fulfillment of budget programs (subprograms) based on the list formed in accordance with this paragraph.

The central authorized body for budget execution or the local executive body for budget execution, based on budget monitoring and recommendations from budget program administrators, shall, by December 1 of the current financial year, compile a list of budget programs (subprograms) in the context of state investment projects and (or) activities for which additional use of budget funds is permitted in the next financial year, and submit it for consideration by the relevant budget commission.

The list of budget programs (subprograms) in the context of state investment projects and (or) activities for which additional use of budget funds is permitted in the next fiscal year is included in resolutions of the Government of the Republic of Kazakhstan and local executive bodies, the decision of the akim of a town of district significance, village, settlement, rural district on the implementation of the law on the republican budget or decisions of the maslikhat about the local budget for the planned period in December of the current fiscal year .

3. In case of repeated underuse, the budget funds authorized for additional use in accordance with paragraph 2 of this Article shall be returned by the administrator of the budget program to the relevant budget before December 20 of the year of their additional use.

4. In the case of savings in the current financial year when using targeted development transfers from a higher budget, budget program administrators ensure that the amount of savings is returned to the higher budget.

5. Unused (underused) funds of quasi-public sector entities in the current financial year are the remaining unused balances of funds received from the budget on the cash control accounts of quasi-public sector entities at the end of the reporting period.

Unused (underused) funds of quasi-public sector entities in the current financial year are subject to return to the budget in accordance with the procedure and deadlines determined by the central authorized body for budget execution.

Funds from the payment of penalties (fines, penalties) credited to the cash control accounts of quasi-public sector entities are subject to transfer to the income of the relevant budget, with the exception of penalties (fines, penalties) credited to the cash control account of the social health insurance fund.

For budget investments allocated to quasi-public sector entities, the period specified in the approved financial and economic justification of budget investments through state participation in the authorized capital of quasi-public sector entities is taken for the reporting period.

6. Unused (underused) budget funds allocated in the form of transfers to legal entities in the current financial year are subject to return to the budget, except in cases provided for by legislative acts of the Republic of Kazakhstan, in accordance with the procedure and deadlines determined by the central authorized body for budget execution.

7. The procedure for the additional use and return to the appropriate higher budget of misused, unused, or underused budget funds is determined by the central authorized body for budget execution.

#### **Article 116. Remaining budget funds**

1. The remaining budget funds at the end of the period are the budget funds remaining in the cash control accounts of the respective budgets as of the end of the reporting period.

2. The remaining budget funds at the beginning of the year are the budget funds remaining in the cash control accounts of the respective budgets based on the results of budget execution for the reporting financial year, as of January 1 of the next financial year.

3. The balances of budgetary funds at the end of the period in the cash control accounts of local budgets are not subject to withdrawal (transfer) to a higher budget, except in the case provided for in paragraph 4 of paragraph 6 of Article 113 of this Code.

The remaining budget funds at the end of the period in the cash control accounts of local budgets, formed during budget execution as a result of exceeding the planned amount of income over the actual amount, are used to finance initiated (ongoing) projects, including those related to the adjustment of approved (specified) parameters of budget investments in accordance with Article 150 of this Code.

The remaining budget funds at the end of the period, formed during budget execution as a result of excess of tax and non-tax receipts, repayment amounts of budget loans over the planned values indicated in the consolidated revenue plan, on cash control accounts of local budgets, are used for:

- 1) early repayment of the debt of a local executive body, including budget loans issued from a higher budget, in the amount of at least fifty percent of these budget balances;
- 2) financing of budget expenditure directions for:  
gasification of settlements;



creation, reconstruction and repair of water supply facilities, sewage treatment, drainage systems, sewage, thermal and electrical networks;

construction, reconstruction, repair and maintenance of highways.

4. The remaining funds of the victims compensation Fund and the Special state fund at the beginning of the year are not subject to withdrawal (transfer) to the budget.

5. The budget balances at the beginning of the year may be used by adjusting the budget of the next financial year to:

1) servicing and repayment of the principal debt on loans received;

2) the return of unused (underused) amounts of targeted transfers allocated from the republican, regional or district (town of regional significance) budget in the past financial year, with the exception of funds allowed for additional use;

3) return to the National Fund of the Republic of Kazakhstan of unused (underused) funds raised from the National Fund of the Republic of Kazakhstan to the republican budget in the form of a targeted transfer;

4) financing of the unpaid part of the registered obligations of the past financial year with a duration of more than one financial year for budgetary development programs, current budget programs providing for the purchase and supply of assets and other goods, provision of services, and performance of work.

Within the framework of subparagraph 4) of this paragraph, it is allowed to finance the unpaid part of the registered obligations of the past financial year for budget programs and (or ) subprograms funded by targeted transfers from the National Fund of the Republic of Kazakhstan.

6. The remaining budget funds at the beginning of the year, remaining after allocation for the purposes provided for in paragraph 5 of this Article, shall be used to repay the principal debt on loans received.

7. The balances of budget funds at the beginning of the year remaining after allocation for the purposes provided for in paragraphs 5 and 6 of this Article are free balances of budget funds and may be used to finance expenditures of the current financial year by clarifying the budget.

## **Chapter 24. BUDGET ACCOUNTING, BUDGET REPORTING AND BUDGET MONITORING**

### **Article 117. General provisions on budget accounting and budget reporting**

1. Budget accounting is an orderly system of collecting, registering and summarizing information in monetary terms on transactions from a unified treasury account and accounts of state institutions on a cash basis, regulated by the budget legislation of the Republic of Kazakhstan.

2. Budget accounting is maintained by authorized budget execution bodies, the state treasury and the offices of akims of towns of district significance, villages, settlements, rural districts.

3. The procedure for budget accounting is determined by the central authorized body for budget execution.

4. Budget accounting data is the basis for budget reporting.

5. Budget reporting should meet the following qualitative characteristics:

1) reliability, which means the authenticity of completed transactions and the absence of errors in their accounting;

2) completeness, which means reflecting all the required information provided for by the budget legislation of the Republic of Kazakhstan;

3) compliance, which means compliance with the provisions of this Code and other regulatory legal acts on reporting.

6. Budget receipts of goods (works, services) received are reflected in monetary terms in budget reports.

#### **Article 118. Types of budget reporting**

1. Budget reports are prepared by state institutions, administrators of budget programs, authorized budget execution bodies and offices of akims of towns of district significance, villages, settlements, rural districts.

2. Budget reporting includes the following types of reports, compiled by:

1) state institutions:

a report on the execution of the financing plan;

a report on the execution of plans for the receipt and expenditure of money from the sale of goods (works, services);

a report on the receipt and expenditure of money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities to support a small homeland;

2) administrators of budget programs:

a report on the implementation of the financing plan;

a report on the execution of targeted transfers allocated from the higher budget;

3) the authorized body for budget execution, the state treasury and the offices of akims of towns of district significance, villages, settlements, rural districts:

a report on the execution of the republican, relevant local budget, the budget of the region, district (town of regional significance), town of district significance, village, settlement, rural district, state and consolidated budgets;

cash flow report on the cash control account of the National Fund of the Republic of Kazakhstan;

a report on the execution of plans for receipts and expenditures of money from the sale of goods (works, services) for the state, republican and local budgets;

a report on the receipt and expenditure of money from philanthropic activities and (or) sponsorship activities, and (or) patronage activities, and (or) activities to support a small homeland in the state, republican and local budgets.

3. The central authorized body for budget execution shall establish additional forms of budget reporting within its competence.

4. Central and local government agencies and state institutions are required to be guided by regulatory legal acts on the preparation and presentation of budget reports.

5. The procedure for drawing up and submitting budget reports is determined by the central authorized body for budget execution.

#### **Article 119. Budget monitoring**

1. Budget monitoring is the regular and systematic collection, monitoring and analysis of budget performance indicators carried out in order to identify the causes of non-fulfillment of budget revenues, late acceptance of obligations, late payments under budget programs, making forecasts of budget revenues and expenditures, and analyzing the implementation of budget programs.

2. Budget monitoring is carried out by state revenue bodies, authorized bodies for non-tax revenues, authorized state bodies responsible for collecting and monitoring proceeds from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, loans, by administrators of budget programs, central and local authorized bodies for budget execution, offices of akims of towns of district importance, villages, settlements, rural districts.

3. The head of the budget program ensures the implementation of budget monitoring, the analysis of its results and the adoption of measures to ensure the achievement of the final results provided for in the passports of budget programs.

4. Budget monitoring is carried out on the basis of budget reports from authorized budget execution bodies and information provided by state revenue bodies, authorized bodies for non-tax revenues, authorized state bodies responsible for collecting and monitoring proceeds from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of financial assets of the state, loans, administrators of budget programs.

5. State revenue bodies, authorized bodies for non-tax revenues, and authorized state bodies responsible for collecting and monitoring proceeds from the sale of fixed assets, transfers, repayment amounts of budget loans, from the sale of state financial assets, and loans shall submit analytical reports on the execution of budget revenues to the central and local authorized budget execution bodies, formed on the basis of accounting data from the state treasury and state treasury bodies.

6. Administrators of republican and local budget programs shall submit to the central and local authorized budget execution bodies the reports on the results of monitoring the implementation of budget programs and the use by business entities of budget funds received as part of state support.

7. The results of budget monitoring are submitted to the relevant budget commission for consideration.

8. The central authorized body for budget planning, based on the results of budget monitoring conducted by the central authorized body for budget execution jointly with the administrators of republican budget programs, forms a decision of the Government of the Republic of Kazakhstan on the redistribution of the amount generated by budget development programs based on the results of public procurement carried out in accordance with the legislation of the Republic of Kazakhstan on public procurement, in accordance with the procedure established by the Government of the Republic of Kazakhstan. determined by the central authorized body for budget execution.

9. Based on the results of budget monitoring, the central and local authorized budget execution bodies send quarterly and year-end reports to the Government of the Republic of Kazakhstan, external state audit and financial control bodies to carry out an ongoing assessment of the execution of the republican or local budget in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control, local executive bodies and the central authorized body for state planning - an analytical report on the execution of the republican and local budgets, as well as budget program administrators - monthly information on failed commitments under budget programs in accordance with the commitment financing plan and late completion of the payment financing plan.

Based on the results of budget monitoring, the central or local authorized budget execution body sends to the relevant local executive body the information on the budget balances that have developed following the results of the reporting quarter due to the excess of tax and non-tax receipts, repayment amounts of budget loans over the planned values specified in the consolidated revenue plan, for sending these budget balances by local executive bodies to finance expenses in accordance with paragraph 3 of Article 116 of this Code.

10. The results of the analytical report on the execution of the relevant budget are taken into account when developing or clarifying the relevant budget.

11. The procedure for budget monitoring is determined by the central authorized body for budget execution.

#### **Article 120. Presentation of the budget execution report**

1. The report on the execution of the republican and local budgets reflects the approved, clarified, adjusted republican and local budgets, accepted, unpaid obligations, fulfillment of budget receipts and (or) paid obligations under budget programs of the relevant budget as of the first day of the month following the reporting one.

2. The central authorized body for budget execution submits monthly reports on the execution of the state, consolidated, republican and local budgets to the Government of the Republic of Kazakhstan, the central authorized body for state planning and the authorized body for internal state audit, quarterly – to the Administration of the President of the Republic of Kazakhstan, the report on the execution of the republican budget – to the Supreme Audit Chamber of the Republic of Kazakhstan.

3. The relevant local authorized bodies of the region, the city of republican significance, the capital for budget execution shall submit a monthly report on the execution of the regional budget, the budgets of the city of republican significance, the capital to the akimat, the audit commission of the region, the city of republican significance, the capital, the local authorized bodies of the region, the city of republican significance, the capital for state planning, the authorized body for internal state audit.

The local authorized bodies of the region, the city of republican significance, and the capital for budget execution shall submit monthly and year-end reports provided for in Article 118 of this Code to the central authorized body for budget execution and the central authorized body for regional policy.

4. The local authorized body of the district (town of regional significance) for budget execution shall submit a monthly report on the budget execution of the district (town of regional significance), as well as other reports provided for by this Code, to the akimat, the central authorized body for regional policy, the audit commission of the region, the local authorized body of the district (town of regional significance) for state planning, the local authorized body of the region for budget execution and the authorized body for internal state audit.

5. The office of the akim of a town of district significance, village, settlement, rural district shall submit a monthly report on the budget execution of a town of district significance, village, settlement, rural district, as well as other reports provided for by this Code, to the central authorized body for regional policy, the local authorized body of the district (town of regional significance) for budget execution.

## **Chapter 25. ANNUAL BUDGET EXECUTION REPORT**

### **Article 121. General provisions on the annual report**

1. The Government of the Republic of Kazakhstan and the local executive body shall prepare an annual report on the execution of the republican or relevant local budget for the reporting financial year.

2. For the preparation of the annual budget execution report for the reporting financial year, the budget statements established by paragraph 2 of Article 118 of this Code and the following types of reports are used, compiled by:

- authorized bodies and administrators of budget programs:

- a report on the implementation of the development plan of a state body or region, a city of republican significance, the capital;

- consolidated report on the implementation of the state bodies' development plans;

- consolidated report on the implementation of development plans for regions, cities of republican significance, and the capital;

- reserve utilization report (by type of reserves);

- report on the implementation of budget programs;

report on the implementation of projects financed by government external loans, with an assessment of the achieved socio-economic effect;

report on income and use of the National Fund of the Republic of Kazakhstan;

report on government commitments made on public-private partnership projects;

report on the implementation of measures under agreements, memoranda, contracts, contracts with subsurface users concluded in accordance with the legislation of the Republic of Kazakhstan on subsurface resources and subsurface use, indicating the amounts;

report on the implementation of the budget of public participation;

report on the implementation of the agreement on the joint resolution of local issues in the agglomeration;

subjects of the quasi-public sector and other recipients of budgetary funds:

reports on long-term development strategies of autonomous educational organizations;

report on spending money received from the budget;

reports on the fulfillment of government assignments;

report on the use of transfers to legal entities;

reports on receipts and expenditures of extra-budgetary funds;

reports on the implementation of development plans or action plans of quasi-public sector entities to which budget funds were allocated in the reporting financial year.

Quasi-public sector entities and other recipients of budget funds submit reports to the relevant administrators of budget programs.

Administrators of budget programs submit summary reports to the central or local authorized body for budget execution.

3. The report on the implementation of the development plan of a state body, the report on the implementation of the development plan of a region, a city of republican significance, the capital, and the report on the implementation of the development plan or action plan of a quasi-public sector entity shall be drawn up in accordance with the state planning System of the Republic of Kazakhstan in the form and in the manner determined by the central authorized body for state planning.

The report on the use of the reserve (by type of reserve) is formed in accordance with Article 21 of this Code.

4. The annual report on the execution of the republican budget includes:

1) analytical report on the implementation of the articles of the law on the republican budget for the fiscal year under review;

2) the report on the execution of the republican budget for the relevant financial year, which is the data on the execution of indicators of the republican budget, according to the annexes to the law on the republican budget;

3) an analytical report on the execution of the republican budget on receipts and expenditures, compiled on the basis of the results of monitoring, evaluation of results

conducted in accordance with Articles 45 and 46 of this Code, and reporting specified in paragraph 2 of this Article.

The analytical report on the receipts of the republican budget is formed by the central authorized body for budget execution on the basis of information provided by the state revenue authorities, and contains information on (about):

- the amount of tax arrears in the context of taxes;
- the amount of overpayment in terms of taxes;
- refund of the value added tax.

The analytical report on expenditures of the republican budget contains information on (about):

the implementation of goals and the achievement of target indicators of the development plan of the state body in conjunction with budgetary funds and indicators of final results provided for in the passports of budget programs;

the implementation of budget programs and the achievement of the final results provided for in the passports of budget programs;

implementation of state investment projects;

the use of the funds of the reserve for the initiatives of the President of the Republic of Kazakhstan and the reserve of the Government of the Republic of Kazakhstan;

the reasons and amounts of clarifications and adjustments to the republican budget carried out during the reporting financial year, indicating the reasons for changes in the initially approved budget indicators, initially planned final results and target indicators;

the use of budgetary funds allocated to the Supreme Audit Chamber of the Republic of Kazakhstan in the reporting financial year, including on achieving the goals and implementing the principles of state audit established by the Law of the Republic of Kazakhstan "On State Audit and Financial Control";

use of budgetary funds allocated to the Supreme Court of the Republic of Kazakhstan in the reporting financial year;

implementation of the recommendations of the Supreme Audit Chamber of the Republic of Kazakhstan based on the results of the preliminary assessment of the draft republican budget for the fiscal year under review; implementation of the recommendations of the Supreme Audit Chamber of the Republic of Kazakhstan, given to the report of the Government of the Republic of Kazakhstan on the execution of the republican budget for the previous fiscal year;

income and expenses of extra-budgetary funds. For administrators of republican budget programs who do not develop development plans for government agencies, analytical information is reflected in budget programs with target indicators of documents of the state planning System of the Republic of Kazakhstan, indicators of final results and (or) results of activities;

4) analytical report on consolidated budget receipts.

The analytical report on consolidated budget receipts is prepared by the central authorized body for budget execution and contains:

analysis of the impact of economic sectors on the total amount of budget revenues and analysis of the completeness and timeliness of taxes and payments to the budget;

information on tax revenues for enterprises in the oil and non-oil sectors of the economy in accordance with the consolidated budget structure;

information on tax revenues from quasi-public sector entities according to the list of quasi-public sector entities provided by the authorized body for state property, in accordance with the consolidated budget structure;

information on tax revenues by business entities according to the register of business entities, formed in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship and submitted by the authorized body for entrepreneurship, in accordance with the structure of the consolidated budget;

5) summary reports of quasi-public sector entities and other recipients of budgetary funds;

6) annual consolidated financial statements on the execution of the republican budget;

7) reports of administrators of budget programs on the results of monitoring the performance of the functions of central executive bodies transferred to a competitive environment, conducted in accordance with paragraph 2 of Article 55 of this Code, and decisions and measures taken;

8) reports of quasi-public sector entities on the use of net income funds remaining after payment of dividends (part of net income) to the republican budget;

9) results of the evaluation of the results;

10) the National report on the management of public assets and the quasi-public sector;

11) an explanatory note.

The explanatory note includes analytical information about:

the economic situation, including an analysis of the impact of value-added industries on economic development and an analysis of the impact of economic sectors on total budget revenues;

implementation of the main directions of fiscal policy in the country;

the current status of public sector obligations, including data on the volume of repayments and servicing of the principal debt, amounts of remuneration, commissions and other payments in accordance with the terms of the loan in the context of each project implemented at the expense of government external loans.

5. The annual report on the execution of the local budget includes:

1) an analytical report on the implementation of the paragraphs of the maslikhat's decision on the local budget for the relevant financial year, the maslikhat's decision on the volume of transfers of a general nature;



2) a report on the execution of the regional budget, the budget of a city of republican significance, the capital, the district (town of regional significance) budget, the budget of a town of district significance, village, settlement, rural district for the relevant financial year, representing data on the execution of local budget indicators in accordance with the annexes to the relevant decision of the maslikhat on the local budget and the decision of the maslikhat on the volume of transfers of a general nature;

3) an analytical report on the execution of the local budget on receipts and expenditures, compiled on the basis of the results of monitoring, evaluation of the results conducted in accordance with Articles 45 and 46 of this Code and the reporting specified in paragraph 2 of this Article.

The analytical report on the receipts of the local budget is formed by the local authorized body for budget execution on the basis of the reporting provided for in paragraph 7 of Article 52 of this Code, and contains:

- analysis of the impact of economic sectors on total budget revenues and analysis of the completeness of tax and non-tax revenue collection;

- information on tax revenues for enterprises in the oil and non-oil sectors of the economy;

- information on tax revenues from quasi-public sector entities according to the list of quasi-public sector entities provided by the authorized body for state property, in accordance with the consolidated budget structure;

- information on tax revenues by business entities according to the register of business entities, formed in accordance with the legislation of the Republic of Kazakhstan in the field of entrepreneurship and submitted by the authorized body for entrepreneurship, in accordance with the structure of the consolidated budget;

- information on the amount of tax arrears in the context of taxes;

- information about the amount of overpayment in the context of taxes.

The analytical report on the implementation of local budget programs contains information on:

- achieving the goals and target indicators of the development plan of the region, the city of republican significance, the capital in conjunction with budget funds and indicators of final results;

- using the funds of the reserve of the local executive body;

- the implementation of budget programs and the achievement of the final results provided for in the passports of budget programs;

- implementation of the agreement on joint resolution of local issues in the territory of the agglomeration;

- implementation of the budget of public participation;

- the reasons and amounts of clarifications and adjustments to the local budget carried out during the reporting financial year, indicating the reasons for changes in the initially approved budget indicators, initially planned final results and target indicators;

Footnote. Paragraph 8 of part three of subparagraph 3) of paragraph 5 of Article 121 shall enter into force on 01.01.2028 in accordance with subparagraph 3) of paragraph 1 of Article 172 of this Code.

implementation of the recommendations of the audit commission of the region, the city of republican significance, the capital based on the results of a preliminary assessment of the draft regional budget, the budget of the city of republican significance, the capital for the reporting financial year;

implementation of the recommendations of the audit commission of the region, the city of republican significance, the capital, data to the report of the regional akimat, the akimat of the city of republican significance, the capital on the execution of the local budget for the previous fiscal year;

the use of special receipts indicating activities, projects and expenditure amounts;

activities indicating the amount of expenses in accordance with the memoranda concluded between the regional akimat, the akimat of the city of republican significance, the capital and subsurface users in the framework of fulfilling obligations for allocations by subsurface users for the socio-economic development of the region and the development of its infrastructure in accordance with subsurface use contracts, including the work carried out by the subsurface user and the services provided;

compliance with the income distribution standard;

implementation of state investment projects;

4) annual consolidated financial statements on the execution of the local budget;

5) reports of administrators of budget programs on the results of monitoring the performance of the functions of local executive bodies transferred to a competitive environment, conducted in accordance with paragraph 2 of Article 55 of this Code, and decisions and measures taken;

6) reports of quasi-public sector entities on the use of net income remaining after payment of dividends (part of net income) to the local budget;

7) an explanatory note.

The explanatory note contains analytical information on the economic situation and the implementation of the main directions of fiscal policy adopted in the forecast of socio-economic development for the relevant period.

## **Article 122. Submission of the annual report on the execution of the republican budget**

1. The central authorized body for budget execution shall, no later than April 1 of the year following the reporting year, prepare and submit an annual report on the execution of the republican budget for the reporting financial year to:

the Government of the Republic of Kazakhstan;

central authorized body for state planning;

bodies of state audit and financial control.

2. The annual report on the execution of the republican budget for the reporting financial year is submitted by the Government of the Republic of Kazakhstan annually no later than April 20 of the current year to:

the Parliament of the Republic of Kazakhstan; the Supreme Audit Chamber of the Republic of Kazakhstan to carry out a subsequent assessment during the state audit of the implementation of the law on the republican budget for the reporting financial year in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control.

3. The central authorized body for budget execution ensures coordination of the work of administrators of budget programs when considering the annual report on the execution of the republican budget for the fiscal year under review in the Parliament of the Republic of Kazakhstan.

4. The Supreme Audit Chamber of the Republic of Kazakhstan submits, for discussion and approval to the Parliament of the Republic of Kazakhstan and for information to the Government of the Republic of Kazakhstan no later than May 15 of this year, a report on the execution of the republican budget for the fiscal year under review, which in its content is a conclusion to the relevant report of the Government of the Republic of Kazakhstan.

5. The procedure for drawing up and submitting the annual report on the execution of the republican budget is determined by the Government of the Republic of Kazakhstan.

**Article 123. Discussion and approval of the annual report on the execution of the republican budget in the Parliament of the Republic of Kazakhstan**

1. The Parliament of the Republic of Kazakhstan discusses the annual report of the Government of the Republic of Kazakhstan on the execution of the republican budget for the fiscal year under review after receiving the report of the Supreme Audit Chamber of the Republic of Kazakhstan in a separate session of the Chambers through sequential consideration first in the Mazhilis, then in the Senate of the Parliament of the Republic of Kazakhstan.

2. When discussing the annual report on the execution of the republican budget, the Parliament of the Republic of Kazakhstan hears:

report of persons authorized by the Government of the Republic of Kazakhstan on the implementation of the main directions of socio-economic development of Kazakhstan, the state of public finances, including the management of state assets and the quasi-public sector, the execution of the republican budget;

report of the Chairman of the Supreme Audit Chamber of the Republic of Kazakhstan on the execution of the republican budget;

co-reports of persons authorized by the Chambers of the Parliament of the Republic of Kazakhstan with conclusions on the report on the execution of the republican budget.

When discussing the annual report on the execution of the republican budget, the Parliament of the Republic of Kazakhstan, the relevant standing Committees of the Chambers

of the Parliament of the Republic of Kazakhstan hear the heads of market entities performing the functions of central executive bodies transferred to them in accordance with the legislation of the Republic of Kazakhstan on administrative procedures for the effectiveness of the transferred functions and (or) the heads of the relevant administrators of budget programs on the results of monitoring implementation of the functions of the central executive bodies, transferred to the competitive environment, conducted in accordance with paragraph 2 of Article 55 of this Code, and decisions and measures taken.

3. When discussing the annual report on the execution of the republican budget, the Standing Committees of the Chambers of the Parliament of the Republic of Kazakhstan shall hear:

- report of the person authorized by the Supreme Audit Chamber of the Republic of Kazakhstan on the use of budgetary funds allocated in the reporting financial year for the implementation of the functions, powers and competencies of the Supreme Audit Chamber of the Republic of Kazakhstan, including on achieving the goals and implementing the principles of state audit established by the Law of the Republic of Kazakhstan "On State Audit and Financial Control";

- report of the head of the authorized state body in the field of judicial administration on the use of budgetary funds allocated in the reporting financial year for the implementation of functions, powers;

- reports of the heads of administrators of republican budget programs on achieving the final results provided for in the passports of budget programs, and akims of regions, cities of republican significance, and the capital on targeted transfers and budget loans received from the republican budget, on the implementation of recommendations of the Supreme Audit Chamber of the Republic of Kazakhstan, based on the results of expert and analytical activities conducted in accordance with Article 47 of this Code;

- reports of the heads of quasi-public sector entities, who have budgetary funds provided for in the law on the republican budget for the relevant fiscal year, on the implementation of their development plans or action plans;

- reports by heads of organizations on the use of transfers to legal entities in the reporting financial year for the implementation of functions and powers, including on achieving target indicators of development plans or action plans of quasi-public sector entities, as well as on long-term development strategies for autonomous educational organizations within the framework of funds allocated from the national budget.

4. After discussion in the Mazhilis and the Senate of the Parliament of the Republic of Kazakhstan, the annual reports of the Government of the Republic of Kazakhstan and the Supreme Audit Chamber of the Republic of Kazakhstan on the execution of the republican budget for the fiscal year under review are approved at a joint meeting of the Chambers of the Parliament of the Republic of Kazakhstan.

**Article 124. Submission of the annual report on the execution of the regional budget, the budget of the city of republican significance, the capital**

1. The local authorized body of the region, the city of republican significance, the capital for budget execution, no later than April 1 of the year following the reporting year, submits an annual report on the execution of the regional budget, the budget of the city of republican significance, the capital for the reporting financial year to the akimat, the local authorized body of the region, the city of republican significance, the capital for state planning and bodies of state audit and financial control.

2. The regional akimat, the akimat of the city of republican significance, the capital shall discuss the annual report on the execution of the regional budget, the budget of the city of republican significance, the capital at a meeting of the public council established in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

3. The regional akimat, the akimat of the city of republican significance, and the capital annually submit an annual report on the execution of the regional budget, the budget of the city of republican significance, and the capital for the reporting financial year with appendices to the audit commission of the region, the city of republican significance, and the capital no later than April 20 of this year for subsequent assessment during the state audit of the maslikhat's decision on the local budget for the reporting financial year in accordance with the legislation of the Republic of Kazakhstan on state audit and financial control, to the regional maslikhat, the maslikhat of the city of republican significance, the capital – no later than May 1 of the current year.

**Article 125. Consideration and approval of the annual report on the execution of the regional budget, the budget of the city of republican significance, the capital**

1. The maslikhat shall consider the annual report of the regional akimat, the akimat of the city of republican significance, the capital on the execution of the regional budget, the budget of the city of republican significance, the capital for the reporting financial year in the standing commissions of the maslikhat within a month after receiving the report of the audit commission of the region, the city of republican significance, the capital on the execution of the regional budget, the budgets of the city of republican significance, the capital.

2. When considering the annual report, the maslikhat shall hear:

the report of the akim or the person replacing him on the execution of the regional budget, the budget of the city of republican significance, the capital and the implementation of the main directions of fiscal policy of the region adopted in the forecast of socio-economic development for the relevant period, on the implementation of the recommendations of the audit commission, data on the results of expert and analytical activities of state audit and financial control bodies, conducted in accordance with Article 44 of this Code;

report of the chairman of the audit commission of the region, the city of republican significance, the capital on the execution of the regional budget, the budgets of the city of republican significance, the capital and the use of budget funds allocated in the reporting

financial year for the implementation of the functions, powers and competencies of the audit commission of the region, the city of republican significance, the capital, including on achieving the goals and principles of state audit established by the Law of the Republic of Kazakhstan "On State Audit and Financial Control";

the report of the akim or the person replacing him on the implementation of the development plan of the region, the city of republican significance, the capital;

reports of the first heads of administrators of budget programs on the achievement of goals and target indicators of the development plan of the region, the city of republican significance, the capital, the implementation of budget programs;

the report of the person(s) authorized by the maslikhat with the conclusion on the report on the execution of the regional budget, the budget of the city of republican significance, the capital.

When discussing the annual report on the execution of the regional budget, the budget of the city of republican significance, and the capital, the standing commissions of the maslikhat, at the recommendations of deputies, hear the heads of market entities performing the functions of local executive bodies transferred to them in accordance with the legislation of the Republic of Kazakhstan on administrative procedures for the effectiveness of the transferred functions and (or) the heads of the relevant administrators of budget programs on the results of monitoring the implementation of the functions of local executive bodies, transferred to the competitive environment, conducted in accordance with paragraph 2 of Article 55 of this Code, and decisions and measures taken.

3. After consideration by the standing commissions of the maslikhat, the annual report on the execution of the regional budget, the budget of the city of republican significance, and the capital is approved at the maslikhat session.

#### **Article 126. Submission of the annual report on the execution of the district (town of regional significance) budget**

1. The local authorized body of a district (town of regional significance) for budget execution shall, no later than March 1 of the year following the reporting year, submit an annual report on the execution of the district (town of regional significance) budget for the reporting financial year with appendices to the akimat, the local authorized body of the district (town of regional significance) for state planning and state audit and financial control.

2. The district (town of regional significance) akimat shall discuss the annual report on the execution of the district (town of regional significance) budget at a meeting of the public council established in accordance with the Law of the Republic of Kazakhstan "On Public Councils".

3. The district (town of regional significance) akimat annually submits an annual report on the execution of the district (town of regional significance) budget for the reporting financial year with appendices to the audit commission of the region, city of republican significance, capital, which includes a representative of the relevant district (town of regional significance),

no later than March 20 of the current year, in district (town of regional significance) maslikhat – no later than April 1 of the current year.

**Article 127. Submission of an annual report on the execution of budgets of a town of district significance, village, settlement, rural district**

1. The office of the akim of a town of district significance, village, settlement, rural district, no later than February 20 of the year following the reporting year, submits an annual report on the budget performance of a town of district significance, village, settlement, rural district for the reporting financial year with appendices to the meeting of the local community , to the local authorized bodies of the district (town of regional significance) on state planning and budget execution.

2. The office of the akim of a town of district significance, village, settlement, rural district shall discuss the annual budget performance report of a town of district significance, village, settlement, rural district at a meeting of the local community.

3. The office of the akim of the town of district significance, village, settlement, rural district annually, after coordination with the meeting of the local community, submits an annual report on the budget performance of the town of district significance, village, settlement, rural district for the reporting financial year with appendices to the audit commission of the region no later than March 10 of the current year, to the district (town of regional significance) maslikhat – no later than March 20 of the current year.

**Article 128. Consideration and approval of the annual report on the execution of the district ( town of regional significance) budget, budgets of the town of district significance, village, settlement, rural district**

1. The district (town of regional significance) maslikhat considers the annual report of the district (town of regional significance) akimat, akim of the town of district significance, village, settlement, rural district on the execution of the district (town of regional significance ) budget, the budget of the town of district significance, village, settlement, rural district for the reporting financial year in the standing commissions of the maslikhat within a month after receiving the report of the audit commission of the region on the budget execution of a town of regional significance, village, settlement, rural district.

2. When considering the annual report, the maslikhat shall hear:

report of the akim or a person replacing him on the execution of the district (town of regional significance) budget, the implementation of the recommendations of the audit commission, data on the results of expert and analytical activities of state audit and financial control bodies conducted in accordance with Article 44 of this Code;

report of the chairman or a member of the audit commission of the region authorized by the chairman on the execution of the district (town of regional significance) budget;

reports of the first heads of administrators of budget programs on achievement of target indicators of the regional development plan, implementation of budget programs;

report of the person(s) authorized by the maslikhat with the conclusion on the report on the execution of the district (town of regional significance) budget;

report of the akim of a town of district significance, village, settlement, rural district on the budget execution of a town of district significance, village, settlement, rural district. When discussing the annual report on the execution of the district (town of regional significance) budget, budgets of the town of district significance, village, settlement, rural district, the standing commissions of the maslikhat hear the heads of market entities performing the functions of local executive bodies transferred to them in accordance with the legislation of the Republic of Kazakhstan on administrative procedures, on the effectiveness of the transferred functions, and (or) the heads of the relevant administrators of budget programs on the results of monitoring the implementation of the functions of local executive bodies transferred to a competitive environment, conducted in accordance with paragraph 2 of Article 55 of this Code, and the decisions and measures taken.

3. After consideration by the standing commissions of the maslikhat, the annual report on the execution of the district (town of regional significance) budget, budgets of the town of district significance, village, settlement, rural district is approved at the maslikhat session.

## **SECTION 6. ACCOUNTING AND FINANCIAL REPORTING SYSTEM OF STATE INSTITUTIONS, WITH THE EXCEPTION OF THE NATIONAL BANK OF THE REPUBLIC OF KAZAKHSTAN, ITS DEPARTMENTS AND THE AUTHORIZED BODY FOR REGULATION, CONTROL AND SUPERVISION OF THE FINANCIAL MARKET AND FINANCIAL ORGANIZATIONS Chapter 26. ACCOUNTING AND FINANCIAL REPORTING SYSTEM**

### **Article 129. Purpose, principles and main qualitative characteristics of accounting and financial reporting**

1. The purpose of accounting and financial reporting is to provide stakeholders with complete and reliable information about the financial situation of state institutions.

2. The principles of accounting and financial reporting are accrual and business continuity

The accrual principle is ensured by the recognition of the results of transactions upon their completion, regardless of the time of payment.

The principle of business continuity means that a state institution intends to operate in the foreseeable future, and there will be no need to liquidate or significantly reduce the scale of its activities. If such an intention or necessity exists, the financial statements are prepared according to special rules.

3. The main qualitative characteristics of financial statements are clarity, relevance, fair presentation, comparability, timeliness and verifiability.

### **Article 130. Accounting system**



1. Accounting is an orderly system of collecting, registering and summarizing information on the operations of state institutions, regulated by the budget legislation of the Republic of Kazakhstan and accounting policy.

2. The accounting policy includes the principles, bases, regulations, rules and practices applied by state institutions in the preparation and presentation of financial statements, which are uniform for all state institutions.

3. Transactions and events in accounting are reflected on the basis of the accounting chart of state institutions.

A unified chart of accounts is formed on the basis of the accounting chart of state institutions and the unified budget classification.

4. The accounting policy, chart of accounts, accounting procedures in state institutions, inventory management in state institutions, and forms of accounting documentation for state institutions shall be established by the central authorized body for budget execution.

5. Administrators of budget programs, in coordination with the central authorized body for budget execution, may, if necessary, issue instructions on the procedure for applying general accounting regulations in state institutions of their system, taking into account the specifics of their activities and compliance with the established accounting procedure in state institutions.

6. For the purposes of reliable accounting and financial reporting, officials authorized to maintain accounting records and prepare financial statements are subject to mandatory certification:

1) administrators of republican budget programs and authorized bodies for the execution of the republican budget, the budget of the region, the city of republican significance, the capital;

**Footnote. Subparagraph 2) of paragraph 6 of Article 130 shall enter into force on 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

2) administrators of local budget programs and the authorized body for the execution of the district (town of regional significance) budget.

7. The procedure for certification of officials of administrators of budget programs and authorized bodies for the execution of the republican budget, the regional budget, the city of republican significance, the capital, the district (town of regional significance) budget, authorized to maintain accounting records and prepare financial statements, is determined by the central authorized body for budget execution.

#### **Article 131. Financial statements of state institutions**

1. Financial statements are information about the financial position and changes in the financial position of a state institution.

2. The financial statements of a state institution include:

1) balance sheet;

2) financial performance report;

- 3) statement of changes in net assets (capital);
- 4) a report on the movement of money in the accounts of a state institution by sources of financing;
- 5) an explanatory note.

3. To monitor the debt status of state institutions based on accounting data, financial statements include financial statements on the debt status, which consists of the following types of reports:

- accounts receivable report;
- accounts payable report;
- a report on accounts payable for long-term obligations.

4. The financial statements of the state institution are confirmed by primary documents.
5. The state institution maintains unified accounting records of all transactions.

6. The offices of akims of towns of district significance, villages, settlements, rural districts shall prepare financial statements on the execution of budgets of towns of district significance, villages, settlements, rural districts, consisting of the balance sheet for the relevant financial year, a report on financial performance, a report on changes in net assets (capital), a report on the movement of money, an explanatory note.

7. The forms, frequency, and procedure for the preparation and presentation of financial statements shall be established by the central authorized body for budget execution.

#### **Article 132. Presentation of financial statements**

1. State institutions submit financial statements to the administrator of budget programs.

2. The offices of akims of towns of district significance, villages, settlements, and rural districts shall submit financial statements on the execution of budgets of towns of district significance, villages, settlements, and rural districts to the local authorized bodies of the district (town of regional significance) for budget execution.

3. Administrators of republican budget programs submit financial statements to the state treasury.

4. Administrators of local budget programs shall submit financial statements to the relevant authorized body for budget execution.

5. Financial statements are presented in the national currency of the Republic of Kazakhstan.

6. The central authorized body for budget execution has the right to determine the deadlines for the submission of interim financial statements and to establish a different frequency, but at least once a year.

7. The accounting period for the annual financial statements is the calendar year from January 1 to December 31 inclusive.

The first accounting year for a newly created state institution begins from the moment of its state registration until December 31 of the same year, inclusive.

## **Chapter 27. CONSOLIDATED FINANCIAL STATEMENTS**

### **Article 133. General provisions on consolidated financial statements**

1. Administrators of budget programs and local authorized bodies for budget execution shall be required to prepare annual consolidated financial statements in the manner established by the central authorized body for budget execution.

**Footnote. Paragraph 2 of Article 133 shall come into effect on 01.01.2027 in accordance with subparagraph 2) of paragraph 1 of Article 172 of this Code.**

2. Administrators of budget programs shall prepare annual consolidated financial statements with data from the financial statements of subordinate entities of the quasi-public sector in the manner established by the central authorized body for budget execution.

3. Administrators of local budget programs shall submit consolidated financial statements to the relevant authorized body for budget execution.

Administrators of republican budget programs and local authorized bodies for budget execution shall submit consolidated financial statements to the State Treasury.

4. The State Treasury shall prepare consolidated financial statements for local budgets and consolidated financial statements for the state budget, which are not subject to approval.

5. Consolidated financial statements shall be published in accordance with Article 40 of this Code.

### **Article 134. Annual consolidated financial statements on the execution of the Republican and local budgets**

1. The State Treasury shall prepare annual consolidated financial statements on the execution of the republican budget, consisting of a balance sheet for the relevant financial year, a report on the results of financial activities, a report on changes in net assets (capital), a statement of cash flows, and an explanatory note.

2. Local authorized bodies for budget execution shall prepare annual consolidated financial statements on the execution of the budget of the region, city of republican significance, capital, consisting of consolidated financial statements on the execution of the regional budget, budget of the city of republican significance, capital, on the execution of the district (city of regional significance) budget, and submit them to the State Treasury.

3. Local authorized bodies for the execution of the budget of the region, city of republican significance, the capital shall prepare annual consolidated financial statements on the execution of the regional budget, budgets of the city of republican significance, the capital, consisting of a balance sheet for the relevant financial year, a report on the results of financial activities, a report on changes in net assets (capital), a report on cash flows, and an explanatory note.

4. Local authorized bodies for the execution of the district (city of regional significance) budget shall prepare annual consolidated financial statements on the execution of the district (city of regional significance) budget, consisting of a balance sheet for the relevant financial

year, a report on the results of financial activities, a report on changes in net assets (capital), a cash flow statement, and an explanatory note.

Consolidated financial statements on the execution of the district (city of regional significance) budget shall include financial statements on the execution of budgets of cities of district significance, villages, settlements, and rural districts.

5. Annual consolidated financial statements on the execution of the Republican and local budgets shall be subject to publication in accordance with Article 40 of this Code.

**Footnote. Article 135 shall come into effect on 01.01.2026 in accordance with subparagraph 1) of paragraph 1 of Article 172 of this Code.**

### **Article 135. Report on statistics of public finances of the Republic of Kazakhstan**

A report on public finance statistics is a document containing information on the state of public finances for use in the budgetary process to make administrative and management decisions and for analytical purposes, including international comparisons.

The report on public finance statistics shall be compiled in terms of the public administration sector, the state sector and relevant subsectors, which shall be determined based on classifiers developed in accordance with the legislation of the Republic of Kazakhstan in the field of state statistics and based on generally accepted international standards.

The report on public finance statistics shall be prepared by the central authorized body for budget execution based on:

1) reports on the execution of the consolidated, republican and local budgets, formed in accordance with Articles 120 and 121 of this Code;

2) annual consolidated financial statements on the execution of the republican and local budgets, formed in accordance with Articles 133 and 134 of this Code;

3) an annual report on the formation and use of the National Fund of the Republic of Kazakhstan, formed in accordance with Article 64 of this Code;

4) reports on the implementation of development plans and action plans of quasi-public sector entities, as well as additional information and other data specified in the register of state property in accordance with the legislation of the Republic of Kazakhstan on state property and in the financial reporting depository in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting.

The procedure for drawing up a report on public finance statistics, the interaction between authorized government bodies and the provision of information shall be determined and approved by the central authorized body for budget execution.

The report on public finance statistics shall be prepared based on the results of the financial year and shall also be subject to publication in accordance with Article 40 of this Code.

## **SECTION 7. BORROWING AND PUBLIC SECTOR DEBT MANAGEMENT, PUBLIC INVESTMENT PROJECTS, BUDGET LENDING AND GRANTS Chapter 28. BORROWING AND PUBLIC SECTOR DEBT MANAGEMENT**

### **Article 136. General provisions on the public sector debt management and borrowing**

1. Public sector debt management shall include a set of measures to form consolidated information for analytical purposes in the management of public finances to limit the growth of the debt burden on the budget, prevent defaults, reduce currency risks, and improve the efficiency and discipline of using external and internal borrowing, external borrowing by quasi-public sector entities, and the efficiency of managing obligations under public-private partnership projects.

2. Borrowing is a process that includes procedures for making a decision on the need to attract borrowed funds, determining the procedure and conditions for attracting, using, repaying and servicing the loan, procedures for negotiations, securing and guaranteeing the fulfillment of obligations, drawing up and signing relevant documents on the loan, ratifying the loan agreement (in cases where such ratification is provided for by legislative acts of the Republic of Kazakhstan), receiving, using loan funds, including procedures for accounting, monitoring and analyzing the fulfillment of obligations by the parties.

3. According to the form of borrowing, loans shall be divided into:

- 1) conclusion of loan agreements;
- 2) issue of securities.

A loan agreement is an agreement by which a borrower receives loan funds and is obligated to the lender to repay them and pay interest and other payments related to the loan.

Under a loan agreement, the lender is the person who has provided a government or non-government loan, and the borrower is the person who has received the government or non-government loan.

The placement of government securities shall be carried out through the alienation of government securities of the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and local executive bodies to the first owners through the conclusion of civil law transactions.

A government-issued security is an issued security that certifies the rights of its holder concerning a loan in which the borrower is the Government of the Republic of Kazakhstan, the National Bank of the Republic of Kazakhstan and local executive bodies or certifies the rights of its holder to receive income from the use of assets based on a lease agreement.

4. The principal amount of the loan is the amount of the loan received and not returned to the lender subject to repayment, excluding the amounts of interest and forfeit (fine, penalty) accrued on it.

Loan servicing is the activity of the central or local authorized body for budget execution or bank in recording the use of loan funds in the borrower's accounts and the borrower

making payments of remuneration, commissions and other payments in accordance with the terms of the loan.

Repayment of debt is the return by the borrower of the received loan amount in the manner established by the loan agreement, and the fulfillment of other obligations arising from the loan agreement.

Debt servicing is the total payment over a specified period of interest, fees, penalties and other payments arising from the terms of the borrowing.

Savings on loans are unused funds from projects financed by a government or government-guaranteed loan, formed as a result of the exchange rate difference or as a result of competitive procedures for the purchase of goods, works and services.

Cancellation of loan funds is the cancellation by the borrower of all or part of the unused loan funds for projects financed by a government or government-guaranteed loan in accordance with the terms of the loan agreement.

Loan restructuring is a change, by agreement of the parties, in the terms, financial and other conditions of their fulfillment of obligations under the loan agreement or on issued bonds.

Debt monitoring is the activity of the state, represented by its authorized bodies, to record, analyze and control the process of formation, change, servicing and repayment of debt.

5. Unilateral refusal to fulfill obligations under a loan agreement shall be prohibited.

Acts of state bodies and their officials adopted in violation of the legislation of the Republic of Kazakhstan and worsening the conditions for attracting, using or repaying state and state-guaranteed loans shall have no legal force.

Disputes and disagreements arising in connection with loan agreements, government securities, government guarantees, sureties or related activities, including the management of government debt or government-guaranteed debt, shall be resolved, where possible, through negotiations or in accordance with previously agreed dispute resolution procedures established in loan agreements, rules for the issue of government securities.

All other disputes not provided for in part three of this paragraph, including disputes between a foreign lender and citizens and legal entities of the Republic of Kazakhstan, shall be resolved by the courts of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan unless otherwise provided by agreement of the parties.

6. Borrowing by the Government of the Republic of Kazakhstan, local executive bodies, as well as the offices of akims of cities of district significance, villages, settlements, rural districts and the National Bank of the Republic of Kazakhstan are state borrowing.

Government loans concerning the borrower shall be divided into:

1) loans from the Government of the Republic of Kazakhstan;

2) loans from the National Bank of the Republic of Kazakhstan;

3) loans from local executive bodies and the offices of akims of cities of regional significance, villages, settlements, and rural districts.

State borrowing and state-guaranteed borrowing shall be carried out in accordance with the budget legislation of the Republic of Kazakhstan.

Borrowing by the National Bank of the Republic of Kazakhstan shall be carried out in accordance with the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan".

7. Borrowing by residents of the Republic of Kazakhstan, except for the Government of the Republic of Kazakhstan, local executive bodies, as well as the offices of akims of cities of district significance, villages, settlements, rural districts and the National Bank of the Republic of Kazakhstan, are non-state borrowing.

Non-state borrowing shall be carried out by residents of the Republic of Kazakhstan independently in any amounts, currencies and forms, taking into account the restrictions established by the legislation of the Republic of Kazakhstan.

Non-governmental loans may be attracted by legal entities under government guarantees.

8. According to the loan capital markets, loans shall be divided into:

- 1) external loans in which the lender is a non-resident of the Republic of Kazakhstan;
- 2) domestic loans in which the lender is a resident of the Republic of Kazakhstan.

9. The liability of officials for borrowing, as provided for by the laws of the Republic of Kazakhstan, shall be determined by Article 44 of this Code.

#### **Article 137. Public sector debt management**

1. Public sector debt management shall include:

1) implementation by the central authorized body for budget execution, together with the central authorized body for budget policy, of an annual assessment of the state of debt obligations of the public sector.

The assessment of the state of debt obligations of the public sector shall be carried out in the manner determined by the central authorized body for budget execution jointly with the central authorized body for budget policy and shall include:

information and analysis of the state of public sector debt obligations (market structure, currency structure, structure by creditors (borrowers), repayment terms, interest rates);

key risks for the accumulated and projected debt portfolio;

analysis of the ability to service and repay the debt of the Government of the Republic of Kazakhstan, local executive bodies of the debt of the local executive body and entities of the quasi-public sector of the external debt of entities of the quasi-public sector;

information on compliance with the limits established in accordance with subparagraph 3) of this article;

2) implementation by the central authorized body for budget policy, together with the central authorized body for budget execution and the State Treasury, of a medium-term forecast of the state debt, state-guaranteed debt, state-guaranteed debt for export support, state

guarantees, the debt of quasi-public sector entities, and state obligations under public-private partnership projects, with the determination of indicators in accordance with which the volumes of repayment and servicing of government debt are established;

3) determination, taking into account target guidelines, by the central authorized body for budget policy of the limits approved by the law on the republican budget:

government debt;

debt of local executive bodies;

provision of state guarantees;

provision of state guarantees for export support;

state obligations under public-private partnership projects of the Government of the Republic of Kazakhstan;

state obligations under public-private partnership projects of local executive bodies;

provision of state guarantees;

external debt of quasi-public sector entities;

4) determination by the central authorized body for budget execution of the volumes, forms and conditions of borrowing by the Government of the Republic of Kazakhstan, the volumes of repayment and servicing of government debt, approved in the republican budget for the relevant financial year;

5) implementation by the central authorized body for budget execution, in the manner determined by it, of quarterly monitoring of state and state-guaranteed borrowing and debt, state obligations to support exports, obligations under public-private partnership projects of the Government of the Republic of Kazakhstan and local executive bodies, and state guarantees;

6) implementation by the central authorized body for budget execution of quarterly monitoring of the debt of quasi-public sector entities in the manner determined by the Government of the Republic of Kazakhstan;

7) implementation by the State Treasury of registration and accounting of state loans in the manner determined by the Government of the Republic of Kazakhstan;

8) management of risks of public debt, publicly guaranteed debt, and debt to the state, including their detection, identification, assessment and minimization using the methods of regulating procedures and operations, compliance with established limits and requirements, diversification of instruments and markets, application of various derivative financial instruments by the central authorized body for budget execution, as well as timely response and adoption of necessary measures in debt management of legal entities whose debt obligations to third parties are secured by state guarantees and sureties;

9) quarterly official publication in accordance with Article 40 of this Code by the authorized body for budget execution in the form of statistical information of information on the current state of the public debt, quasi-public debt, publicly guaranteed debt, on the state's obligations under public-private partnership projects, on state guarantees, the amounts of



money paid to repay the public debt, issued state guarantees and state guarantees for export support, and the amounts of money paid under state guarantees and state guarantees for export support, and the state's obligations under public-private partnership projects;

10) the formation by the central authorized body for budget execution of the data and materials provided for in subparagraphs 4), 5), 6) and 7) of paragraph 2 of Article 90 of this Code, and their submission to the central authorized body for budget planning.

2. The provisions of this article shall not apply to the debt of the National Bank of the Republic of Kazakhstan.

### **Article 138. State debt**

1. The state debt is the amount on a certain date of received (used) and outstanding loans from the Government of the Republic of Kazakhstan, local executive bodies, as well as debt obligations on a certain date, attributed in accordance with legislative acts of the Republic of Kazakhstan to the debt of the Government of the Republic of Kazakhstan or by decisions of maslikhats to the debt of local executive bodies, without taking into account mutual claims.

2. The public debt shall include internal and external public debt.

Domestic public debt is a component of the public debt on domestic loans and other debt obligations of the Government of the Republic of Kazakhstan, and local executive bodies to residents of the Republic of Kazakhstan.

External public debt is a component of the public debt on external loans and other debt obligations of the Government of the Republic of Kazakhstan and the local executive body of a city of republican significance with a special status determined by a legislative act of the Republic of Kazakhstan to non-residents of the Republic of Kazakhstan.

3. The Government of the Republic of Kazakhstan shall bear obligations to repay and service the government debt, which is provided by funds from the republican budget.

Local executive bodies shall bear obligations to repay and service their debt, which are provided by funds from local budgets.

Local executive bodies shall not be permitted to assume obligations for loans on behalf of third parties in any form or shape.

4. The Government of the Republic of Kazakhstan and local executive bodies shall not be liable for each other's obligations.

5. The obligations of the Government of the Republic of Kazakhstan and local executive bodies shall be considered fulfilled upon the return of the principal amount of the debt to the lenders and the payment of debt servicing payments in full.

6. Refinancing of the public debt shall be carried out by paying off the debt using funds from new borrowing.

7. The Government of the Republic of Kazakhstan and local executive bodies shall monitor, respectively, the government debt and the debt of local executive bodies through recording, analyzing and monitoring the process of formation, change and servicing of the debt.

## **Article 139. Government debt and borrowing by the Government of the Republic of Kazakhstan**

1. Government debt is the amount of government loans received and not repaid by the Government of the Republic of Kazakhstan on a certain date, as well as debt obligations attributed to the debt of the Government of the Republic of Kazakhstan on a certain date in accordance with the legislative acts of the Republic of Kazakhstan.

2. Borrowing by the Government of the Republic of Kazakhstan shall be carried out for:

- 1) financing the deficit of the republican budget;
- 2) promoting the development of the domestic market of debt instruments;
- 3) financing and co-financing of the budget investment project;
- 4) institutional development of the industry (industries) through the implementation of institutional projects.

In case of a budget surplus, the Government of the Republic of Kazakhstan may borrow to refinance government debt.

3. Institutional project – a set of measures aimed at the institutional development of an industry (sphere), implemented directly by the administrator of the budget program over a certain period, having a completed character and financed through government borrowing by concluding a loan agreement.

The procedure for planning and implementing institutional projects through the attraction of government loans shall be determined by the central authorized body for budget execution in agreement with the central authorized body for budget policy.

4. Attracting loans on behalf of the Government of the Republic of Kazakhstan by concluding a loan agreement, as well as the use of loan funds, shall be carried out in the manner determined by the central authorized body for budget execution.

5. The procedure for submitting reports on state external loans and co-financing from the republican budget shall be determined by the Government of the Republic of Kazakhstan.

6. The issue of government securities shall be carried out by the Government of the Republic of Kazakhstan in the form of the issue of government treasury bonds, government Islamic securities or government "green" bonds.

The issuer of government securities of the Government of the Republic of Kazakhstan is the central authorized body for budget execution, and in the case of the issue of government Islamic securities, the issuer is the state Islamic special financial company created by the authorized body for state property by the decision of the Government of the Republic of Kazakhstan.

A government treasury bond is a government-issued security certifying the rights of its holder concerning a loan in which the borrower is the Government of the Republic of Kazakhstan.

A government Islamic security is a government-issued security that certifies the rights of its holder to receive income from the use of assets based on a lease agreement.

A government green bond is a government-issued security certifying the rights of its holder concerning a loan in which the borrower is the Government of the Republic of Kazakhstan for the financing of projects classified as "green" according to the environmental legislation of the Republic of Kazakhstan.

The issue, placement, circulation, servicing and redemption of government treasury bonds issued by the Government of the Republic of Kazakhstan on the domestic market shall be carried out in accordance with the procedure established by the Government of the Republic of Kazakhstan.

The state Islamic security is issued by the decision of the Government of the Republic of Kazakhstan in accordance with the basic principles of Islamic finance established in accordance with the legislation of the Republic of Kazakhstan on the securities market.

The issue, placement, circulation, servicing and redemption of government "green" bonds shall be carried out in accordance with the procedure established by the Government of the Republic of Kazakhstan.

The issue of government securities related to the placement on the external loan capital market shall be carried out by the decision of the Government of the Republic of Kazakhstan.

The legislation of the Republic of Kazakhstan on public procurement shall not apply to legal relations related to the acquisition of goods, works, services in connection with the decision of the Government of the Republic of Kazakhstan on the issue of government securities, as well as the purchase or change of terms of previously issued government securities and the implementation of other activities concerning issued and (or) previously issued government securities.

7. Borrowing by the Government of the Republic of Kazakhstan is limited by the government debt limit and the volume of budget funds allocated to servicing the government debt established by the law on the republican budget.

The government debt limit is a fixed amount of received and outstanding government loans for the relevant financial year, which shall not be exceeded by the actual debt of the Government of the Republic of Kazakhstan on a given date (at the end of the relevant financial year).

8. The repayment and servicing of the debt of the Government of the Republic of Kazakhstan, the purchase of government securities issued by it on the organized securities market at the expense of budgetary funds provided for by the law on the republican budget, through the National Bank of the Republic of Kazakhstan shall be carried out by the central authorized body for budget execution in the manner determined by it.

#### **Article 140. Debt of local executive bodies and borrowing by local executive bodies**

1. Debt of the local executive body is the amount of loans received and outstanding by the local executive body on a specific date.

2. Borrowing by local executive bodies of regions, cities of republican significance, and the capital shall be carried out in the form of:

- 1) receiving budget loans from the republican budget;
- 2) obtaining budget loans from a higher budget to cover the projected cash deficit in the cash control account during the financial year;
- 3) the issue by local executive bodies of regions, cities of republican significance, and the capital of government securities for circulation on the domestic market to finance expenses in accordance with the list of borrowing purposes by local executive bodies of regions, cities of republican significance, and the capital.

The list of purposes of borrowing by local executive bodies of regions, cities of republican significance, and the capital shall be determined by the central authorized body for budget policy in the area of state and state-guaranteed debt in agreement with the central authorized body for budget execution and is approved by the Government of the Republic of Kazakhstan;

- 4) the issue by local executive bodies of cities of republican significance and the capital of government securities for circulation on the domestic market to finance the budget deficit;

- 5) the issue by the local executive body of a city of republican significance with a special status determined by a legislative act of the Republic of Kazakhstan of government securities in national currency for circulation on the territory of the Astana International Financial Center, as well as borrowing from international financial organizations in national currency to finance projects classified as "green" in accordance with the environmental legislation of the Republic of Kazakhstan.

Borrowing by local executive bodies of districts (cities of regional significance) shall be carried out in the form of receiving loans from the local executive body of the region to finance the deficit of the district (city of regional significance) budget.

Borrowing by the offices of akims of cities of regional significance, villages, settlements, and rural districts shall be carried out in the form of receiving loans from the local executive body of the district (city of regional significance) to finance the deficit of the corresponding local budget.

3. Borrowing by the local executive body of a region, city of republican significance, or the capital shall be limited by the established debt limit of the relevant local executive body and the volume of local budget funds allocated to repay and service the debt of the relevant local executive body.

The debt limit of a local executive body is a fixed amount of loans received and outstanding by the local executive body for the relevant financial year, which shall not be exceeded by the actual debt of the local executive body on a given date (at the end of the relevant financial year).

The debt limits of local executive bodies for the relevant financial year are approved by the law on the republican budget.

Liability for failure to comply with the debt limit of a local executive body for the relevant financial year is established by Article 41 of this Code.

4. The number of expenses for repayment and servicing of the debt of the local executive body shall not exceed an amount equal to ten percent of the local budget revenues, excluding targeted transfers from a higher budget for the relevant financial year.

The repayment and servicing of the debt of local executive bodies shall be carried out by them at the expense of funds provided by local budgets, in the manner determined by the central authorized body for budget execution.

5. The issue of securities for circulation on the domestic market by the local executive body of the region, city of republican significance, or capital shall be carried out in the manner determined by the authorized body for budget execution.

The conditions, volume and intended purpose of the issue of government securities for circulation on the domestic market by the local executive body of the region, city of republican significance, or capital shall be determined by the central authorized body for budget execution.

6. The issue of government securities in national currency for circulation on the territory of the Astana International Financial Center and borrowing from international financial organizations by the local executive body of a city of republican significance with a special status determined by a legislative act of the Republic of Kazakhstan for the financing of projects classified as "green" according to the environmental legislation of the Republic of Kazakhstan shall be carried out in the manner determined by the Government of the Republic of Kazakhstan.

The conditions, volume and purpose of external government loans of the local executive body of a city of republican significance with a special status determined by a legislative act of the Republic of Kazakhstan from international financial organizations for financing projects classified as "green" according to the environmental legislation of the Republic of Kazakhstan shall be determined in agreement with the central authorized body for budget execution.

Borrowing by a local executive body of a city of republican significance with a special status determined by a legislative act of the Republic of Kazakhstan shall be carried out by concluding a loan agreement with an international financial organization to finance projects classified as "green" according to the environmental legislation of the Republic of Kazakhstan, within the established debt limit of the relevant local executive body.

7. Repayment of the debt of the local executive body of the region, city of republican significance, capital on issued government securities shall be carried out without fail within the period established by the obligations.

Repayment of the debt of the local executive body of a city of republican significance with a special status, determined by a legislative act of the Republic of Kazakhstan, under loan agreements, shall be carried out without fail within the period established by the loan agreements.

**Article 141. State-guaranteed debt and state guarantee**

1. State-guaranteed debt is the amount, as of a certain date, of non-state loans received and outstanding, secured by state guarantees.

The state guarantee of the Republic of Kazakhstan is the obligation of the Government of the Republic of Kazakhstan to the lender to fully or partially repay the debt in the event of failure by the borrower - a resident of the Republic of Kazakhstan to pay the amount due within the established period.

2. State guarantees shall be provided to lenders as security for the fulfillment by residents of the Republic of Kazakhstan of obligations under non-state loans received by them.

A state guarantee may cover the full or part of the amount of a non-state loan.

3. The following requirements shall be imposed on legal entities, except for entities in the quasi-public sector, applying for a state guarantee for loans in which these legal entities act as borrowers:

- 1) be a resident of the Republic of Kazakhstan, carrying out entrepreneurial activities;
- 2) have positive conclusions from the sectoral authorized body, the central authorized body for budget execution, the central authorized body for budget policy;
- 3) implement projects included in the list of investment projects proposed for financing using non-governmental loans under government guarantees for the relevant period;
- 4) have a guarantee from a second-tier bank or an insurance contract that meets the requirements for ensuring the repayment of loans established by the central authorized body for regulation, control and supervision of the financial market and financial organizations;
- 5) have no debt on repayment and servicing of previously received government-guaranteed loans and have no overdue debt to creditors;
- 6) ensure obligations for co-financing the proposed investment project in the event of a loan being raised that does not cover the total cost of the project;
- 7) have equity capital amounting to at least thirty percent of the value of the proposed investment project;
- 8) be solvent, not subject to liquidation, its property shall not be seized, its financial and economic activities shall not be suspended in accordance with the legislation of the Republic of Kazakhstan.

For the provision of a state guarantee for a non-state loan, the borrower shall be charged an advance one-time fee (charge) in the amount of two percent of the amount of the state guarantee.

Quasi-public sector entities applying for a state guarantee for loans in which they act as borrowers:

- 1) have positive conclusions from the sectoral authorized body, the central authorized body for budget execution, the central authorized body for budget policy;
- 2) implement state investment projects included in the list of investment projects proposed for financing using non-state loans under state guarantees for the relevant period;

3) have no debt on repayment and servicing of previously received government-guaranteed loans and have no overdue debt to creditors;

4) not be subject to liquidation, their property should not be seized, and their financial and economic activities should not be suspended in accordance with the legislation of the Republic of Kazakhstan.

The list of projects proposed for financing using non-governmental loans under government guarantees for the relevant period shall be approved by a resolution of the Government of the Republic of Kazakhstan.

5. The selection of investment projects for the provision of state guarantees shall be carried out by the central authorized body for budget policy in the manner determined by the central authorized body for budget execution.

Requirements for the development or adjustment and economic examination of the feasibility study for investment projects for the provision of state guarantees are established by the central authorized body for budget policy.

Economic expertise of investment projects for the provision of state guarantees shall be carried out by a legal entity determined by the Government of the Republic of Kazakhstan.

6. The Government of the Republic of Kazakhstan has the exclusive right to provide state guarantees on behalf of the Republic of Kazakhstan for loans.

Based on the resolution of the Government of the Republic of Kazakhstan, the central authorized body for budget execution shall provide a state guarantee in the manner and form determined by the central authorized body for budget execution.

7. The provision of state guarantees shall be carried out on the condition of repayment by the borrower of budgetary funds spent by the Government of the Republic of Kazakhstan in fulfilling the obligations of the guarantor in accordance with Article 142 of this Code.

8. State guarantees shall be provided within the limits established by the law on the republican budget.

The limit for the provision of state guarantees is a fixed amount for the relevant financial year, within which state guarantees may be issued.

The amount of the limit for the provision of state guarantees may be used only within the relevant financial year for which this limit is established.

For investment projects with an implementation period of more than one year, a tranche-by-tranche (partial) provision of a state guarantee shall be permitted with the signing of a general agreement.

State guarantees cannot be provided as security for the repayment of loans by local executive bodies.

It shall be prohibited to use funds from a state-guaranteed loan for purposes not provided for by the terms of the loan, as well as for lending to government agencies and state participation in the authorized capital of a legal entity.

9. Restructuring of a state-guaranteed loan shall be carried out by agreement between the lender and the borrower if a decision is made by the Government of the Republic of Kazakhstan.

When restructuring a state-guaranteed loan, at the request of the lender, the previously issued state guarantee may be confirmed by the Government of the Republic of Kazakhstan or replaced by a new one.

The guaranteed loan amount cannot exceed the loan amount under a previously issued state guarantee.

Substitution of the borrower under a state-guaranteed loan shall be permitted by agreement of the parties to the loan agreement in the event of a decision by the Government of the Republic of Kazakhstan.

In the event of a replacement of the borrower under a state-guaranteed loan, the state guarantee may be replaced by a new one or confirmed by the central authorized body for budget execution at the request of the lender based on a decision of the Government of the Republic of Kazakhstan.

The guaranteed loan amount cannot exceed the loan amount under a previously issued state guarantee.

The restrictions established by paragraph 9 of this article shall not apply to a newly issued state guarantee.

10. The state guarantee shall cease to be effective in the following cases:

1) full fulfillment by the borrower or guarantor of obligations under the loan guaranteed by the Government of the Republic of Kazakhstan;

2) expiration of the warranty period specified in the warranty agreement (warranty obligation), unless otherwise specified therein;

3) specifically stipulated in the loan agreement and (or) the guarantee agreement (guarantee obligation);

4) replacement of the guarantee with a new one during restructuring and (or) replacement of the borrower for a state-guaranteed loan.

11. Provided state guarantees and state-guaranteed loans are subject to registration and accounting in the State Treasury in the manner determined by the Government of the Republic of Kazakhstan.

The central authorized body for budget execution monitors and manages state-guaranteed debt.

Monitoring of the financial condition of a borrower who has received a state-guaranteed loan and control over the use of funds from a state-guaranteed loan shall be carried out in the manner determined by the central authorized body for budget execution in agreement with the central authorized body for budget policy.

**Article 142. Execution of state guarantee**



Unless otherwise provided by the terms of the loan agreement, the state guarantee is subject to execution after the payment date at the request of the lender if the loan secured by the state guarantee is not repaid by the borrower in full or in part on the date of the payment deadline and within the limits of the funds provided for by the law on the republican budget.

The fulfillment of obligations under the state guarantee shall be carried out within eighteen months from the date of presentation of demands for the fulfillment of obligations under the state guarantee within the limits of funds provided for by the law on the republican budget.

Articles 154–162 of this Code shall apply to the return of funds directed towards the fulfillment of obligations under a state guarantee, loan restructuring, replacement of the debtor, limitation of actions, and termination of claims for the return of the said funds.

Funds allocated for the fulfillment of obligations under the state guarantee shall be returned to the republican budget within the period specified in the agreement on the provision of the state guarantee at the rate of remuneration established in accordance with paragraph 15 of Article 154 of this Code.

The Government of the Republic of Kazakhstan shall have the right to carry out, in accordance with the terms of the loan agreement and with the consent of the lender, early repayment of a state-guaranteed loan for a borrower declared bankrupt and (or) liquidated in accordance with the legislation of the Republic of Kazakhstan, by executing a state guarantee at the expense of funds provided for by the law on the republican budget.

The central authorized body for budget execution maintains records of borrowers on state-guaranteed loans, the costs of repayment and servicing of which are provided for by the law on the republican budget.

#### **Article 143. State guarantee for export support**

1. The state guarantee of the Republic of Kazakhstan (state guarantee) for export support is the obligation of the Government of the Republic of Kazakhstan to the Export Credit Agency of Kazakhstan in accordance with the terms of the guarantee agreement for export support to fully or partially pay off its debt on insurance and guarantee payments.

The state-guaranteed obligation to support exports is the amount on a certain date of outstanding obligations under insurance contracts and guarantees secured by the state guarantee of the Republic of Kazakhstan to support exports, for which the Export Credit Agency of Kazakhstan has not made insurance and guarantee payments.

2. The Government of the Republic of Kazakhstan shall have the exclusive right to provide state guarantees for export support on behalf of the Republic of Kazakhstan.

In accordance with the Resolution of the Government of the Republic of Kazakhstan, the central authorized body for budget execution provides state guarantees for export support in the manner and form determined by the central authorized body for budget execution.

The state guarantee for export support shall be provided within the limit established by the law on the republican budget, based on the resolution of the Government of the Republic of Kazakhstan.

The amount for determining the limit for the provision of a state guarantee for export support shall be established in the manner determined by the central authorized body for budget policy.

3. The Export Credit Agency of Kazakhstan shall meet the following requirements to receive a state guarantee for export support:

1) have positive conclusions from the authorized body in the field of regulation of foreign trade activities, the central authorized body for budget policy;

2) be solvent, not subject to liquidation, its property shall not be seized, its financial and economic activities shall not be suspended in accordance with the legislation of the Republic of Kazakhstan;

3) have no debts for the repayment and servicing of previously issued state guarantees and have no overdue debts to creditors;

4) the volume of actually made insurance and guarantee payments shall not exceed forty percent of the volume of equity capital for the period of validity of state guarantees for export support. In this case, the volume of insurance and guarantee payments is indicated after deducting the amount of insurance and guarantee payments that are reimbursed within the framework of subrogation, reinsurance and guaranteeing.

4. Requirements for the development or adjustment of the conclusion of the central authorized body for budget policy for the provision of state guarantees for export support shall be established by the central authorized body for budget policy in agreement with the central authorized body for budget execution and the central authorized body for budget planning.

5. The provision of a state guarantee for export support shall be carried out on the condition of repayment by the Export Credit Agency of Kazakhstan of budgetary funds spent by the Government of the Republic of Kazakhstan.

For the provision of a state guarantee for export support, the Export Credit Agency of Kazakhstan shall be charged an advance one-time fee (charge) in the amount of 0.2 percent of the amount of the state guarantee for export support.

The provision of a state guarantee for export support shall be carried out after the execution and registration of an agreement on the provision of a state guarantee for export support.

The agreement on the provision of a state guarantee for export support is an agreement between the central authorized body for budget execution, the attorney (agent) and the Export Credit Agency of Kazakhstan, establishing the legal relationship of the parties on the

provision of a state guarantee for export support, the return of funds from the republican budget diverted in the event of the fulfillment of obligations under the state guarantee for export support.

6. Provided state guarantees for export support are subject to registration and accounting in the State Treasury in the manner determined by the Government of the Republic of Kazakhstan.

The central authorized body for budget execution shall monitor the state-guaranteed obligation to support exports in the manner determined by the central authorized body for budget execution in agreement with the central authorized body for budget policy.

Monitoring of the financial condition of the Export Credit Agency of Kazakhstan, which has a state guarantee for export support, shall be carried out in the manner determined by the central authorized body for budget execution in agreement with the central authorized body for budget policy.

**Article 144. Execution of the state guarantee for export support and grounds for termination of its effect**

1. The state guarantee for export support is subject to execution upon the excess of a one-time implementation of insurance and guarantee events that exceed the equity capital of the Export Credit Agency of Kazakhstan, in the presence of conclusions of the attorney (agent) of the Export Credit Agency of Kazakhstan, statements from its accounts issued by second-tier banks, as well as audited financial statements for the financial year preceding the application for execution of the state guarantee for export support, and financial statements at the time of application for execution of the state guarantee for export support.

2. The state guarantee for export support shall be executed only for the portion of the uncovered amount of insurance and guarantee payments minus the equity capital of the Export Credit Agency of Kazakhstan.

3. Fulfilment of obligations under the state guarantee for export support shall be carried out within eighteen months from the date of presentation of demands for fulfilment of obligations under the state guarantee for export support within the limits of funds provided for by the law on the republican budget.

4. Funds allocated for the fulfillment of obligations under the state guarantee for export support are subject to return by the Export Credit Agency of Kazakhstan to the republican budget at the expense of funds for reimbursement of insurance and guarantee payments and other sources.

5. The conditions, terms, rates of remuneration and the procedure for the return of funds diverted from the republican budget for the execution of the state guarantee for export support shall be determined in the agreement on the provision of a state guarantee for export support concluded between the central authorized body for budget execution, the attorney (agent) and the Export Credit Agency of Kazakhstan.

6. The state guarantee for export support shall cease to be effective in the following cases:

- 1) full fulfillment of the obligations stipulated in the export support guarantee agreement;
- 2) expiration of its validity period.

#### **Article 145. State guarantee**

1. A state guarantee is an obligation of the Government of the Republic of Kazakhstan to the lender to fully or partially repay the borrower's debt on a loan raised under a public-private partnership agreement, in accordance with the guarantee agreement.

The obligations under the guarantee shall include the principal amount of the loan and the interest on it.

2. The state guarantee shall be provided within the limits established by the law on the republican budget.

The amount of the limit for the provision of state guarantees may be used only within the relevant financial year for which the limit is set.

3. Funds from a loan raised under state guarantee shall be used only for the creation of public-private partnership facilities.

4. State guarantees and loans provided under state guarantee are subject to registration and accounting in the State Treasury in the manner established by the Government of the Republic of Kazakhstan.

5. The central authorized body for budget execution shall monitor the debt under the guarantee of the state in the manner determined by the central authorized body for budget execution.

6. The definition of public-private partnership projects for which a guarantee is provided, as well as the fulfillment of obligations under the state guarantee, shall be carried out in the manner determined by the legislation of the Republic of Kazakhstan on public-private partnership.

7. State guarantee shall be provided based on decisions of the Government of the Republic of Kazakhstan.

8. Funds allocated for the fulfillment of obligations under the state guarantee shall be returned to the republican budget in the manner determined by the central authorized body for budget execution.

9. The state guarantee shall cease to be effective upon full fulfillment by the borrower or guarantor of the obligations under the loan secured by the state guarantee.

#### **Article 146. Debt of quasi-public sector entities and borrowing by quasi-public sector entities**

1. The debt of quasi-public sector entities is the amount on a certain date of received (utilized) and outstanding loans, except for loans secured by a state guarantee, of quasi-public sector entities.

2. The debt of quasi-public sector entities shall include the internal and external debt of quasi-public sector entities.

The internal debt of quasi-public sector entities is an integral part of the debt of quasi-public sector entities on internal loans and other debt obligations of quasi-public sector entities to residents of the Republic of Kazakhstan.

The external debt of quasi-public sector entities is an integral part of the debt of quasi-public sector entities on external loans and other debt obligations of quasi-public sector entities to non-residents of the Republic of Kazakhstan.

3. Attraction of external loans by entities of the quasi-public sector, except for loans secured by a state guarantee, shall be carried out:

1) within the limits of the external debt of quasi-public sector entities, approved by the law on the republican budget;

2) in accordance with the list of entities of the quasi-public sector that have been granted the right to attract external loans, approved by the law on the republican budget;

3) to finance investment and/or infrastructure projects and to manage external debt.

The limit on the external debt of quasi-public sector entities is a fixed amount of received and outstanding external loans of quasi-public sector entities, which shall not be exceeded by the actual external debt of quasi-public sector entities on a given date (at the end of the relevant financial year).

The determination of the limit of external debt of quasi-public sector entities and the list of quasi-public sector entities that have been granted the right to attract external loans for inclusion in the draft republican budget shall be carried out by the central authorized body for budget policy in the area of public and state-guaranteed borrowing and debt within the framework of their methodological support, as provided for in paragraph 3 of Article 47 of this Code.

The attraction of external loans by entities of the quasi-public sector that are not included in the list provided for in subparagraph 2) of this paragraph shall be prohibited.

4. Registration and accounting of loans from quasi-public sector entities shall be carried out by these organizations independently.

5. Entities of the quasi-public sector shall ensure that information on the structure of external and internal debt by projects and borrowing purposes is reflected in the register of state property in accordance with the legislation of the Republic of Kazakhstan on state property.

Monitoring and control over the debt of quasi-public sector entities shall be carried out by the central authorized body for budget execution in the manner determined by the Government of the Republic of Kazakhstan.

The results of monitoring shall be provided by the central authorized body for budget execution to the central authorized body for budget policy.

6. The Government of the Republic of Kazakhstan and local executive bodies are not liable for the obligations of entities in the quasi-public sector, except for loans secured by a state guarantee.

## **Article 147. State obligations under public-private partnership projects**

1. State obligations under public-private partnership projects – a set of rights and obligations of the state partner, the concessor, for the amount allocated from the budget, on a certain date, of financial obligations accepted and not fulfilled by the state partner, the concessor, under concluded public-private partnership agreements.

2. The adoption of state obligations under public-private partnership projects by the Government of the Republic of Kazakhstan and local executive bodies shall be carried out in accordance with the budget legislation of the Republic of Kazakhstan and the legislation of the Republic of Kazakhstan on public-private partnership.

The volumes of government commitments accepted under public-private partnership projects by the Government of the Republic of Kazakhstan and local executive bodies shall be limited by the limits of government commitments under public-private partnership projects of the Government of the Republic of Kazakhstan and the relevant local executive bodies.

Limits on government commitments for public-private partnership projects of the Government of the Republic of Kazakhstan and local executive bodies shall be approved by the law on the republican budget.

The methodology for determining the limits of state obligations for public-private partnership projects of the Government of the Republic of Kazakhstan and local executive bodies shall be approved by the central authorized body for budget policy.

3. The acceptance of state obligations under public-private partnership projects shall be carried out by signing public-private partnership agreements.

Public-private partnership agreements shall come into effect after their registration by the State Treasury or State Treasury bodies in the manner determined by the central authorized body for budget execution.

State obligations under public-private partnership projects are subject to registration for each individual public-private partnership project only within the amounts and terms established by the agreement, in accordance with the decision of the relevant budget commission or the decision of the maslikhat, as well as the resolution of the Government of the Republic of Kazakhstan on projects of special significance.

4. Information on government commitments for public-private partnership projects shall be posted on the official Internet resource of the relevant government agency.

5. The State Treasury shall keep records of the fulfillment of state obligations under public-private partnership projects of the Government of the Republic of Kazakhstan in the manner established by the central authorized body for budget policy.

6. Local authorized bodies for budget execution monitor state obligations under public-private partnership projects of local executive bodies.

7. The State Treasury and State Treasury bodies shall prepare reports on accepted state obligations under public-private partnership projects and send them to the central authorized

body for budget execution, which shall publish them in accordance with Article 40 of this Code.

8. The Government of the Republic of Kazakhstan and local executive bodies are not liable for each other's state obligations under public-private partnership projects.

9. State obligations under public-private partnership projects of the Government of the Republic of Kazakhstan and local executive bodies shall be considered fulfilled upon full payment of state obligations under public-private partnership projects under concluded public-private partnership agreements.

#### **Article 147-1. State obligations for turnkey construction projects**

1. State obligations for turnkey construction projects - a set of rights and obligations of the customer and the supplier for the amount allocated from the budget on a certain date of financial obligations accepted and not fulfilled by the customer under concluded contracts for turnkey construction, which are approved by the Republican Budget Commission or the budget commission of the local executive body.

2. The acceptance of state obligations for turnkey construction projects by the Government of the Republic of Kazakhstan and local executive bodies shall be carried out in accordance with the budget legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities and the legislation of the Republic of Kazakhstan on public procurement.

The volumes of government commitments accepted for turnkey construction projects by the Government of the Republic of Kazakhstan and local executive bodies shall be restricted by the limits of government commitments for turnkey construction projects of the Government of the Republic of Kazakhstan and the relevant local executive bodies.

The limits of state obligations for turnkey construction projects of the Government of the Republic of Kazakhstan and local executive bodies shall be approved by the law on the republican budget.

The methodology for determining the limits of state obligations for turnkey construction projects of the Government of the Republic of Kazakhstan and local executive bodies shall be approved by the central authorized body for budget policy.

3. Acceptance of state obligations for turnkey construction projects shall be carried out by signing turnkey construction contracts that are approved by the Republican Budget Commission or the budget commission of the local executive body.

Turnkey construction contracts shall come into effect after their registration by the state treasury or state treasury bodies in the manner determined by the central authorized body for budget execution.

State obligations under turnkey construction projects are subject to registration for each turnkey construction project only within the amounts and terms established by the contract, and cannot be revised to increase the state's obligations in accordance with the decision of the relevant budget commission or the decision of the maslikhat.

The amount of the turnkey construction contract cannot be revised to increase the state's obligations.

4. The State Treasury shall keep records of the fulfillment of state obligations under turnkey construction projects of the Government of the Republic of Kazakhstan in the manner established by the central authorized body for budget policy.

5. Local authorized bodies for budget execution shall monitor state obligations under turnkey construction projects of local executive bodies.

6. The State Treasury and state treasury bodies shall prepare reports on accepted state obligations for turnkey construction projects and send them to the central authorized body for budget execution, which shall publish them in accordance with Article 40 of this Code.

7. The Government of the Republic of Kazakhstan and local executive bodies shall not be liable for each other's state obligations under turnkey construction projects.

8. State obligations for turnkey construction projects of the Government of the Republic of Kazakhstan and local executive bodies shall be considered fulfilled upon full payment of state obligations for turnkey construction projects under concluded turnkey construction contracts.

**Footnote. Chapter 28 is supplemented by Article 147-1 in accordance with the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the day of its first official publication).**

## **Chapter 29. STATE INVESTMENT PROJECTS**

### **Article 148. General provisions on state investment projects**

1. Planning of state investment projects shall be carried out within the framework of the implementation of documents of the State Planning System of the Republic of Kazakhstan, including development plans of state bodies or regions, cities of republican significance, the capital, development plans and (or) activities of subjects of the quasi-public sector, as well as long-term strategies for the development of autonomous educational organizations.

Planning of state investment projects of state bodies that do not design development plans shall be carried out within the framework of the implementation of the norms of legislative acts of the Republic of Kazakhstan and (or) the implementation of budget programs (subprograms).

2. State investment projects shall be divided into the following types:

- 1) budget investments;
- 2) public-private partnership projects;
- 3) projects implemented by quasi-public sector entities through non-governmental loans under government guarantees;
- 4) projects implemented at the expense of an extra-budgetary fund, the National Fund of the Republic of Kazakhstan in accordance with paragraph 3 of Article 59 of this Code;
- 5) budget lending;



6) turnkey construction projects.

Budgetary investments are financing from the Republican or local budget aimed at the implementation of budgetary investment projects, investment costs of autonomous educational organizations, as well as state participation in the authorized capital of quasi-public sector entities.

A budget investment project is a set of activities aimed at creating (constructing) new or reconstructing existing facilities, as well as creating and developing information technology facilities, implemented using budget funds over a certain period and having a completed nature.

Budgetary investments aimed at investment costs of autonomous educational organizations are a set of measures aimed at the creation (construction) of new or reconstruction of existing infrastructure facilities of autonomous educational organizations.

Budgetary investments through state participation in the authorized capital of quasi-public sector entities – implementation of measures aimed at the development of a quasi-public sector entity through the formation and (or) increase of its authorized capital.

3. State investment projects shall be divided into republican and local.

The criteria for determining republican and local state investment projects shall be:

1) the criterion for the type of ownership as republican or local, depending on the emerging right of ownership (republican or communal) to property obtained as a result of the implementation of state investment projects;

2) the criterion for the recipients of benefits as republican, if the recipients of economic benefits are subjects of two or more regions, cities of republican significance, the capital, and as local if the recipients of economic benefits are subjects of one region, city of republican significance, the capital.

To define state investment projects as republican, it is sufficient for them to meet one of the specified criteria.

The classification of local state investment projects into regional, cities of republican significance, capitals and district (cities of regional significance) shall be carried out based on the criteria provided for in part two of this paragraph.

4. State investment projects may be aimed at:

1) the creation (construction) and reconstruction of objects that may be technically complex and (or) unique and technically uncomplicated and (or) typical, as well as the creation and development of information technology objects;

2) institutional development of the industry (industries), including the creation of new, expansion and (or) renewal of existing production facilities, through state participation in the authorized capital of legal entities, budgetary lending for the implementation of state investment policy, and a non-state loan under a state guarantee provided to an entity in the quasi-public sector.

5. Methods of financing state investment projects:

1) financing of a budget investment project, including through funds from state external loans and co-financing of external loans from the republican budget;

2) budget lending;

3) state participation in the authorized capital of quasi-public sector entities;

4) fulfillment of state obligations under public-private partnership projects;

5) attraction of non-state loans under a state guarantee by quasi-public sector entities;

6) financing and fulfillment of state obligations for turnkey construction projects.

6. The sources of financing for state investment projects are:

1) republican and local budgets;

2) government loan, loans from local executive bodies and non-state loan under a state guarantee provided to an entity in the quasi-public sector;

3) off-budget fund;

4) National Fund of the Republic of Kazakhstan.

7. The basis for planning a state investment project shall be an investment proposal, unless otherwise provided by the legislation of the Republic of Kazakhstan on public-private partnership, as well as the provisions on turnkey construction established by the legislation of the Republic of Kazakhstan.

An investment proposal shall be a conceptual proposal justifying the feasibility of implementing state investment projects within the framework of the implementation of documents of the State Planning System of the Republic of Kazakhstan, reflecting the purpose of investment, ways of achieving it and possible methods of financing, including a set of relevant measures developed by administrators of budget programs.

8. The state body shall develop an investment plan, which is attached to:

the development plan of the government body developing the development plan;

passports of budget programs of a government agency that does not design development plan for the government agency.

The local executive body of the region, city of republican significance, or capital shall develop an investment plan for the region, city of republican significance, or capital, which shall be attached to the development plan for the region, city of republican significance, or capital.

The investment plan shall be developed based on:

development plan of a government agency or region, city of republican significance, capital - for the government agency developing the development plan and local executive bodies of the region, city of republican significance, capital, district (city of regional significance);

documents of the State Planning System of the Republic of Kazakhstan or functions, powers and competencies - for a government body that does not design development plan.

The investment plan of a government agency or region, city of republican significance, or capital contains the following information on activities aimed at achieving the target indicator of the development plan:

the target indicator of the development plan or document of the State Planning System of the Republic of Kazakhstan (for administrators of budget programs who do not design development plans for a government agency), towards which the project is aimed, or the name of the corresponding function, authority and competence (for administrators of budget programs who do not design development plans for a government agency);

results of the expenditure review;

a map of priority and problem areas for achieving the target indicator, compiled for each target indicator in the context of regions, cities of republican significance, the capital (for central government bodies), in the context of administrative-territorial units that are part of the region, city of republican significance, the capital (for regions, cities of republican significance, the capital);

a forecast list of state investment projects indicating forecast indicators of the economic effect expected from the implementation of state investment projects, based on an economic examination of the documentation of state investment projects.

For the purposes of this article, a project is a set of measures that include the implementation of one or more state investment projects to achieve a specific target indicator.

The investment plan of a government agency or region, city of republican significance, or capital shall include, as a matter of priority:

government investment projects initiated in previous financial years (ongoing);

critical facilities;

projects of national importance;

construction of new facilities carried out using feasibility studies, standard projects and design (design and estimate) documentation from the State Bank of construction projects, formed in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.

Critical facilities shall include:

1) facilities whose emergency cessation of activity may lead to the emergence of emergencies on a global or regional scale;

2) national infrastructure facilities that ensure the socio-economic development of economic growth centers in the long term.

Projects of national significance shall include:

1) objects that ensure the economic development of at least two regions, cities of republican significance, and the capital;

2) objects aimed at solving problems within the established timeframes through the simultaneous implementation of homogeneous projects in a specific industry on a national scale.

The procedure for classifying objects as critically important and projects of national significance shall be determined by the central authorized body for budget policy.

The investment plan of a government agency or region, city of republican significance, or the capital reflects activities aimed at implementing budget programs (subprograms) for development, making capital expenditures, and current budget programs (subprograms) related to achieving the target indicators of development plans of government agencies, regions, cities of republican significance, or the capital.

When developing an investment plan for a government agency or region, city of national significance, or capital, minimum standards and a system of regional standards for populated areas are taken into account and project management shall be applied.

Investment plan of a government agency or region, city of republican significance, capital :

- used for making administrative and management decisions in the budget process, including prioritizing the planning of public investment projects;

- is the basis for the development of state investment projects, relevant documentation and examinations;

- is published in accordance with Article 40 of this Code.

The investment plan of a government agency shall be developed in the manner and form determined by the central authorized agency for government planning.

9. The procedure for planning and implementing state investment projects, except for state investment projects of special state bodies carrying out intelligence and counterintelligence activities, as well as those aimed at financing investment costs of autonomous educational organizations, shall be determined by the central authorized body for budget policy in agreement with the central authorized body for budget planning.

10. The procedure for planning and implementing budget investments of special government agencies carrying out intelligence and counterintelligence activities shall be determined by special government agencies carrying out intelligence and counterintelligence activities, in agreement with the central authorized body for budget policy and the central authorized body for budget planning.

11. The procedure for planning and implementing budget investments aimed at financing investment costs of autonomous educational organizations shall be determined by the governing body of autonomous educational organizations in agreement with the central authorized body for budget policy, the central authorized body for budget planning and the central authorized body for budget execution.

The implementation of budget investments aimed at financing investment costs of autonomous educational organizations shall be carried out without observing the competitive procedures stipulated by the legislation of the Republic of Kazakhstan on public procurement, by concluding a civil-law transaction between the administrator of budget programs and autonomous educational organizations.

When implementing budget investments aimed at financing the investment costs of autonomous educational organizations, the state shall not have property rights to the property of autonomous educational organizations.

12. The procedure for planning and implementing state investment projects for turnkey construction projects shall be determined by the central authorized body for budget policy in agreement with the authorized body for architecture, urban planning and construction and the central authorized body for budget planning.

**Footnote. Article 148 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 149. Planning of state investment projects**

1. Planning of state investment projects shall be carried out in four stages:

1) development and implementation of examinations of investment proposals;

2) development of documentation depending on the specifics of the state investment project and conducting examinations on:

a budget investment project, for which an investment proposal is developed with subsequent development of a feasibility study and (or) design and estimate documentation;

a budget investment project that provides for the creation and development of information technology facilities, for which technical specifications are developed in accordance with the legislation of the Republic of Kazakhstan on information technology;

projects financed by government loans, for which, if necessary, feasibility studies shall be developed in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities;

budgetary investments through state participation in the authorized capital of legal entities, budgetary lending for the implementation of state investment policy by financial agencies, non-state loans under a state guarantee, for which financial and economic justifications shall be developed in accordance with this Code;

for a turnkey construction project, an investment proposal and a feasibility study shall be developed, except for the case where the construction project shall be included in the list of projects that do not require the development of a feasibility study in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities. If necessary, instead of a feasibility study, the customer shall develop a technical assignment and approve the estimated cost of turnkey construction;

3) formation of a portfolio of state investment projects;

4) identification of public investment projects at the budget planning stage.

The development of an investment proposal for the construction of new facilities shall be carried out using technical and economic justifications, standard projects and design (design

and estimate) documentation from the state bank of construction projects, formed in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.

1-1. For projects that are technically uncomplicated, the construction of which is expected to be based on standard projects, standard design solutions and reusable projects, the development of a feasibility study shall not be required.

The list of projects that do not require the development of a feasibility study shall be developed by the authorized body for architecture, urban planning and construction and approved by the Government of the Republic of Kazakhstan.

1-2. Estimated cost of turnkey construction - the cost of implementing a construction project, determined at the pre-project stage for conducting tender procedures and concluding turnkey construction contracts in accordance with the legislation of the Republic of Kazakhstan. The estimated cost of turnkey construction shall be determined using aggregated indicators of the cost of construction of buildings and structures per unit of measurement of the capacity indicator of facilities, the length of a linear structure and other technical characteristics that take into account the functional purpose of the building or structure. If necessary, aggregated indicators of the cost of structural elements of buildings (structures) and types (complexes) of work shall be used (including aggregated indicators of cost based on design and estimate documentation of similar facilities).

2. The central authorized body for budget policy or the local authorized body for state planning prepares an economic opinion on the investment proposal and ensures that an economic examination of the state investment project shall be carried out.

The central authorized body for budget policy or the local authorized body for state planning shall involve a legal entity determined by the Government of the Republic of Kazakhstan or a local executive body in the economic examination of the documentation of a state investment project.

3. Based on economic assessments of state investment projects, the central authorized body for budget policy forms a portfolio of state investment projects implemented by central government bodies and (or) local executive bodies using funds from the republican budget or other sources of financing the tasks and functions of the state, which in the future will entail expenditures from the republican budget.

The portfolio of state investment projects is formed in terms of economic sectors and:

shall contain indicators of the effectiveness of the state investment project and other information necessary for making decisions on the feasibility and effectiveness of state investment projects;

shall be subject to publication.

The central authorized body for budget policy analyzes the possible impact of sectoral state investment projects included in the portfolio of state investment projects on the development of the economy by determining the projected share of the contribution to the

volume of the gross domestic product, the projected increase in budget revenues, the projected increase in investment in the sector and other parameters of the socio-economic development of the country.

4. The determination of state investment projects for inclusion in the draft republican budget shall be carried out by the central authorized body for budget planning based on the portfolio of state investment projects formed in accordance with paragraph 3 of this article.

The determination of state investment projects for inclusion in the local budget draft shall be carried out by the local authorized body for state planning.

5. The basis for inclusion in the draft budget of state investment projects is the presence of :

- projects as part of the investment plan of a government agency;

- a positive economic opinion on the investment proposal of a state investment project;

- a positive conclusion of the economic examination of the documentation of the state investment project, unless otherwise provided by the legislation of the Republic of Kazakhstan on public-private partnership, as well as the provisions on turnkey construction established by the legislation of the Republic of Kazakhstan;

- a positive proposal from the relevant budget committee.

6. The development of design and estimate documentation for state investment projects shall be prohibited for the ones:

- not included in the investment plan;

- not included in the republican or local budget.

7. An increase in the authorized capital of a quasi-public sector entity that carries out the functions of managing the capital's transport infrastructure facilities using budgetary funds shall be carried out taking into account expenses in accordance with the consolidated financial statements established by Chapter 27 of this Code for servicing and repaying loans.

8. When planning and implementing state investment projects, the following requirements shall be observed:

- the start of implementation, timing and volumes of financing of state investment projects, as well as the timing of implementation and volumes of state purchases shall correspond to the timing and volumes of financing reflected in the documentation approved in the established manner;

- the volume of financing for state investment projects included in the draft budget, the implementation period of which is more than one year, in the first year of implementation may not be less than one-third of its cost, reflected in the documentation approved in the established manner;

- construction activities shall be carried out in accordance with the legislation of the Republic of Kazakhstan on architectural, urban planning and construction activities.

9. The procedure for developing or adjusting, conducting the necessary examinations of an investment proposal, a feasibility study, a financial and economic justification of a state

investment project, forming a portfolio of state investment projects and identifying state investment projects shall be determined by the central authorized body for budget policy in the area of state investment projects in agreement with the central authorized body for budget planning.

10. The procedure for planning and implementing state investment projects that provide for the creation and development of information technology facilities shall be determined by the authorized body in the field of information technology in agreement with the central authorized body for budget policy and the central authorized body for budget planning.

11. Administrators of budget programs bear responsibility established by the laws of the Republic of Kazakhstan, in accordance with Article 41 of this Code.

12. Legal entities designated to carry out economic assessments of state investment projects shall bear responsibility established by the laws of the Republic of Kazakhstan, in accordance with Article 41 of this Code, and shall send information on the results of economic assessments of state investment projects to the central authorized body for budget policy or the local authorized body for state planning for publication.

**Footnote. Article 149 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

#### **Article 150. Adjustment of approved (refined) parameters of state investment projects**

1. The procedure for adjusting the approved (refined) parameters of state investment projects shall be determined:

by the central authorized body for budget policy in agreement with the central authorized body for budget planning in connection with the adjustment of the investment proposal, feasibility study and financial and economic justification;

by the authorized body for architecture, urban planning and construction in connection with the adjustment of design and estimate documentation;

by the authorized body in the field of information technology in agreement with the central authorized body for budget policy and the central authorized body for budget planning in connection with the adjustment of the technical specifications for projects for the creation and development of information technology facilities.

2. An increase in the approved (refined) parameters of local state investment projects in connection with the adjustment of the feasibility study, design and estimate documentation, or the inclusion of additional components not provided for in the standard project, shall be financed from the relevant local budget.

Financing from the republican budget is permitted at the suggestion of the Republican Budget Commission to increase in connection with the adjustment of the feasibility study or design and estimate documentation or the inclusion of additional components of approved (refined) parameters of local state investment projects aimed at implementing critically important facilities or projects of national importance.



It shall be prohibited to reduce the amounts of approved (refined) parameters of local state investment projects if such reduction involves exceeding the thirty percent value of the advance (preliminary) payment from the contract amount for the current financial year.

Adjustments to government investment projects that involve a reduction in final performance indicators shall not be permitted in the fourth quarter of the current financial year.

#### **Article 151. Planning of public-private partnership projects**

1. A public-private partnership project is a set of successive activities for the implementation of a public-private partnership, implemented over a limited period and having a completed nature in accordance with the legislation of the Republic of Kazakhstan on public-private partnership.

2. Planning of public-private partnership projects shall be carried out in accordance with the legislation of the Republic of Kazakhstan on public-private partnership with the mandatory application of minimum social standards, minimum standards of engineering and communications, transport infrastructure, results of monitoring the provision of settlements with the minimum mandatory level of facilities and services (benefits) depending on the type (city, village) and size (population) of settlements of the system of regional standards for settlements, carried out within the framework of the system of regional standards for settlements.

#### **Article 152. Monitoring the implementation of state investment projects and the achievement of final results provided for in the passports of budget development programs**

1. Monitoring the implementation of state investment projects shall include:

1) collection and processing by administrators of budget programs, central state and local executive bodies of information on the progress and results of the implementation of state investment projects;

2) submission by central state and local executive bodies of reports on the progress and results of the implementation of state investment projects, respectively, to the central authorized body for budget policy and the central authorized body for budget execution and local authorized bodies for state planning.

The central authorized body for budget policy or the local authorized body for state planning shall involve a legal entity determined by the Government of the Republic of Kazakhstan or a local executive body in the collection and analysis of reports on the progress and results of monitoring state investment projects.

2. Monitoring of the implementation of republican state investment projects shall be carried out by administrators of republican budget programs.

3. Monitoring of the implementation of local state investment projects, including those implemented through targeted transfers for development from the republican budget and extra-budgetary funds, shall be carried out by local executive bodies.

4. Monitoring of the implementation of public-private partnership projects shall be carried out in accordance with the legislation of the Republic of Kazakhstan on public-private partnerships.

5. Monitoring of the achievement of the final results envisaged by the passports of budget development programs and the documentation of state investment projects shall be carried out by administrators of budget programs for three years after the completion of projects in the manner determined by the central authorized body for budget policy jointly with the central authorized body for budget execution.

6. The procedure and deadlines for submitting reports and forms, as well as the requirements for the information provided on the progress and results of the implementation of state investment projects, shall be determined by the central authorized body for budget policy jointly with the central authorized body for budget execution.

7. The central authorized body for budget policy and local authorized bodies for state planning, based on the monitoring provided for in paragraphs 2–5 of this article, shall form a consolidated report on the results of monitoring the implementation of state investment projects based on the results of the financial year.

8. The results of monitoring the implementation of state investment projects shall be applied in accordance with Article 45 of this Code.

9. Responsibility for monitoring the implementation of state investment projects and achieving the final results provided for in the passports of budget development programs is established by Article 41 of this Code.

### **Article 153. Evaluation of the implementation of state investment projects**

1. The assessment of the implementation of state investment projects shall be carried out in the post-investment period, three years after their completion.

The assessment of the implementation of public-private partnership projects shall be carried out in accordance with the legislation of the Republic of Kazakhstan on public-private partnerships.

2. The assessment of the implementation of republican state investment projects shall be carried out by the central authorized body for budget policy with the involvement of a legal entity determined by the Government of the Republic of Kazakhstan.

The assessment of the implementation of local state investment projects, including through targeted transfers for development from the republican budget and extra-budgetary funds, shall be carried out by the local authorized body for state planning with the involvement of a legal entity determined by local executive bodies.

3. The procedure for conducting an assessment of the implementation of public investment projects shall be determined by the central authorized body for budget policy in agreement with the central authorized body for budget execution, except for the assessment of the implementation of public-private partnership projects.

4. The results of the assessment of the implementation of state investment projects shall be applied in accordance with Article 46 of this Code.

## **Chapter 30. BUDGET LENDING**

### **Article 154. General provisions on budget lending**

1. Budget lending is a process that includes procedures for making decisions on the provision, use, servicing and repayment of a budget loan.

2. Budget loans are directed towards:

- 1) implementation of budget investment projects;
- 2) implementation of foreign economic activities of the state;
- 3) implementation of state investment policy by financial agencies;
- 4) covering the cash deficit in the cash control account of lower budgets;
- 5) solving socio-economic problems of development of the republic or region;
- 6) ensuring food security through the purchase of agricultural products.

3. Budget loans shall not be provided for participation in the authorized capital of legal entities, covering losses from the business activities of borrowers, or paying for the services of attorneys (agents).

Losses of economic activity shall be understood as losses expressed in monetary form, the excess of expenses of a legal entity over income, which entails a decrease in material and monetary resources that arise as a result of economic activity.

It shall be prohibited to place budget funds issued on a repayable basis to borrowers from the Republican and local budgets in deposits and other instruments in second-tier banks and organizations that carry out certain types of banking operations.

4. The provision of budget loans shall be carried out in accordance with the following principles:

1) repayment, which provides for the mandatory repayment of a budget loan in accordance with the loan agreement, except for uncollectible debts;

2) security, which provides for the availability of security for the fulfillment of obligations in ways established by the legislation of the Republic of Kazakhstan;

3) payment, which provides for the borrower to pay a fee for the provision of a budget loan;

4) urgency, which provides for the establishment of a deadline for the provision of a budget loan.

5. Budget loans shall be provided subject to the following conditions:

1) no tax arrears;

2) the presence of security for the fulfillment of the borrower's obligations under the budget loan;

3) absence of overdue debt of the borrower on previously provided budget loans.

6. Budget loans shall be granted subject to the following criteria:

- 1) economic and social efficiency of implementing measures through budget lending;
- 2) payback of activities implemented using budget lending;
- 3) the creditworthiness of the borrower in accordance with the criteria determined by the authorized body for budget execution in agreement with the authorized body for budget policy.

7. A loan agreement is an agreement between the creditor, the administrator of the budget program and the borrower, establishing the legal relationship of the parties in the provision, use, servicing and repayment of the budget loan.

The loan agreement shall be drawn up in electronic form in the information system and shall be certified through an electronic digital signature of the parties to the agreement.

If it is impossible to conclude credit agreements in electronic form, it shall be permissible to draw up a credit agreement on paper.

8. The subjects of budget lending are the creditor, the administrator of the budget program, the borrower, the final borrower and the attorney (agent).

The rights and obligations of subjects of budgetary lending shall be determined in loan agreements and (or) agency agreements in accordance with this Code and other legislative acts of the Republic of Kazakhstan.

The creditor is the party to the loan agreement providing a budget loan in accordance with the budgetary and civil legislation of the Republic of Kazakhstan.

The creditor for budgetary lending from the republican budget is the Government of the Republic of Kazakhstan.

On behalf of the Government of the Republic of Kazakhstan, the central authorized body for budget execution acts as the creditor in budget lending.

The creditor for budgetary lending from the local budget is the relevant local executive body.

The creditor provides budgetary lending in accordance with this Code and the legislation of the Republic of Kazakhstan, and exercises control over the fulfillment of the terms of the loan agreement.

The administrator of the budget program in budget lending is a party to the loan agreement and shall carry out:

- 1) determination on a competitive basis of specialized organizations and authorized representatives (agents), except for financial agencies and a national company in the agro-industrial complex participating in ensuring food security;

- 2) control and monitoring of the targeted and effective use, repayment and servicing of budget loans;

- 3) claims and litigation work on the return of budget loans.

The borrower is the party to the loan agreement receiving the budget loan, which bears the obligations to repay the principal debt and pay interest, as well as other payments in accordance with the loan agreement.

Borrowers may be:

1) specialized organizations – banks, organizations carrying out certain types of banking operations, as well as organizations in which a controlling stake belongs to the state or a national holding company, or a national management holding company, which are residents of the Republic of Kazakhstan;

2) local executive bodies, offices of akims of cities of regional significance, villages, settlements, rural districts;

3) foreign states;

4) individuals.

The final borrower is the final recipient of a budget loan provided to him under the terms determined by the lender or financial agency.

The final borrowers may be individuals and legal entities who are residents of the Republic of Kazakhstan and carry out entrepreneurial activities.

The selection and lending of final borrowers shall be carried out by specialized organizations or the borrower represented by the local executive body in accordance with the target purpose of the budget program, as well as their credit policy.

An attorney (agent) is a person who, based on an agency agreement, carries out, on behalf of and at the expense of the creditor (principal) or the administrator of the budget program and in accordance with his instructions, certain assignments related to budget lending.

The attorney (agent) is a bank, an organization that carries out certain types of banking operations, or an organization in which the controlling stake belongs to the state or a national holding or a national management holding that are residents of the Republic of Kazakhstan.

The attorney (agent) shall be defined as:

in case of budgetary lending from the republican budget - by the central authorized body for budget execution or the administrator of the budget program in accordance with the legislation of the Republic of Kazakhstan on public procurement, except for the financial agency;

in case of budgetary lending from the local budget – by the administrator of the budget program in accordance with the legislation of the Republic of Kazakhstan on public procurement, except for the financial agency.

The definition of the powers of the attorney (agent), the amount and procedure for payment of remuneration for the execution of instructions by the attorney (agent) shall be determined by the central authorized body for budget execution or the administrator of the budget program.

9. The main conditions of the budget loan shall be established by a decision of the central authorized body for budget execution or the relevant local executive body.

After approval of the relevant budgets, budget program administrators send the main terms of the budget loan to the central authorized body for budget execution or the relevant local executive body for subsequent approval.

10. Methods of providing budget loan:

1) one-time budget loan – allocation of budget funds to the borrower is made at one time or in parts according to the schedule of transfer of funds during the financial year;

2) budget credit line – funds are allocated to the borrower in parts over several financial years in accordance with the approved financial and economic justification.

The commitments made within the budget credit line are taken into account when determining the spending limits of budget program administrators and planning the corresponding budget.

The budget credit line shall be provided exclusively to financial agencies in accordance with part three of paragraph 13 of this article.

11. The term of a budget loan shall be the period during which the borrower receives, uses, services and repays the budget loan.

The term of the budget loan is calculated from the moment the creditor transfers the budget loan funds from the account of the budget program administrator.

Depending on the term of provision, budget loans shall be divided into short-term, medium-term and long-term.

12. The period of development of a budget loan shall be the period during which the borrower can use the budget loan to implement activities in accordance with the purposes of providing the budget loan.

13. Fulfilment of obligations under a budget loan shall be secured by a pledge, guarantee, surety or other means provided for by the legislation of the Republic of Kazakhstan or an agreement.

Local executive bodies, the offices of akims of cities of district significance, villages, settlements, rural districts, a national company in the agro-industrial complex participating in ensuring food security, and financial agencies, the list of which shall be determined by the Government of the Republic of Kazakhstan, may be allocated budget loans from the republican budget without ensuring the fulfillment of obligations.

The procedure for including financial agencies in the list of financial agencies receiving budget loans from the republican budget without collateral shall be determined by the authorized body for budget execution in agreement with the authorized body for budget policy.

The cost of securing the return of a budget loan shall not be less than the amount of the budget loan, taking into account the amount of remuneration accrued until the first scheduled repayment of the principal debt in accordance with the repayment schedule.

The assessment of the security for the fulfillment of obligations under the budget loan shall be carried out in accordance with the legislation of the Republic of Kazakhstan.

Payment for services for assessing the security for the fulfillment of obligations under a budget loan shall be made by the borrower or the final borrower.

14. The remuneration is the fee paid by the borrower for using the budget loan.

15. The rate of remuneration is the amount of remuneration expressed as a percentage per annum.

The types, and procedures for determining and establishing remuneration rates shall be determined by the authorized body for budget execution in agreement with the authorized body for budget policy.

16. The methods of providing a budget loan, the schedule of repayment and servicing of a budget loan, the procedures for restructuring a budget loan and replacing a borrower, the conditions of the limitation period, the conditions for transferring debt on a budget loan, the termination of creditors' claims and the termination of guarantees for budget loans, and the procedures for monitoring budget loans shall be determined by the central authorized body for budget execution.

Restructuring of a budget loan shall be carried out based on a decision of the central authorized body for budget execution or the relevant local executive body for each loan agreement, subject to a positive opinion of the consultative and advisory body under the central authorized body for budget execution or the local executive body.

#### **Article 155. Procedures for making decisions on granting a budget loan**

The decision to provide a budget loan shall include:

1) determination by the central authorized body for budget policy or the local authorized body for state planning of the advisability of budget lending in the manner determined by the central authorized body for budget policy, except for budget loans directed to cover the cash deficit of lower budgets;

2) consideration by the central authorized body for budget planning and local authorized bodies for state planning of budget programs proposed by the administrator of budget programs for implementation through budget lending, for compliance with the criteria for budget lending.

The determination by the central authorized body for budget policy of the advisability of budget lending for budget investment projects and the implementation of state investment policy by financial agencies shall be carried out based on the conclusion of an economic examination of a legal entity determined by the Government of the Republic of Kazakhstan.

The determination by local authorized bodies for state planning of the advisability of budgetary lending for budgetary investment projects requiring the development of a feasibility study, and the implementation of state investment policy by financial agencies at the expense of local budget funds shall be carried out taking into account the conclusion of an economic examination;

3) consideration by the budget commission of the budget request and the conclusion of the central authorized body for budget planning or the local authorized body for state planning;

4) development by the budget commission of proposals for the inclusion of a budget program aimed at providing budget loans in the draft budget.

#### **Article 156. Procedure for providing budget loan**

1. The procedure for providing a budget loan shall include the following stages:

- 1) determination of the main conditions of the budget loan;
- 2) determination of the borrower, including the final borrower, if any;
- 3) conclusion of a loan agreement and related agreements;
- 4) provision of a budget loan to the borrower.

2. The procedures for providing budget loans, including the list of documents required for their submission, shall be determined by the authorized body for budget execution in agreement with the authorized body for budget policy.

3. The procedure and conditions for budgetary lending to a foreign state are established in an international agreement on the provision of a budgetary loan.

#### **Article 157. Use of budget loan**

The borrower shall use the budget loan funds only for the purposes stipulated by the budget program and the loan agreement.

The final borrower shall use the budget loan funds exclusively for the purposes stipulated by the loan agreement, in accordance with the budget program and budget legislation of the Republic of Kazakhstan.

In case of using a budget loan for other than its intended purpose, the borrower and the final borrower shall bear responsibility in accordance with the laws of the Republic of Kazakhstan and the terms of the loan agreement.

#### **Article 158. Servicing of budget loan**

1. Servicing of a budget loan shall be recognized as the activity of the authorized body for budget execution, the State Treasury or the attorney (agent) in recording the use of budget loan funds and the implementation by the borrower of payments to repay the principal debt, remuneration and other payments in accordance with the terms of the loan agreement.

The principal debt is the amount of the received and outstanding budget loan, excluding the amounts of remuneration, commission payments, and forfeit (fine, penalty) accrued on it.

2. Servicing of the principal debt is the total payments over a certain period of remuneration and other payments in accordance with the terms of the loan agreement.

3. Debt (overdue debt) is the amount of payments not made by the borrower and the final borrower, the terms of which have come into effect in accordance with the repayment and servicing schedule of the budget loan (loan agreement).

4. The procedure for calculating remuneration shall be established in the loan agreement.

#### **Article 159. Repayment of budget loan**

1. Repayment of a budget loan is the repayment by the borrower of the principal debt on the budget loan in accordance with the loan agreement and the legislation of the Republic of Kazakhstan.

2. In case of non-repayment or late repayment of a budget loan, the borrower and the final borrower shall bear liability in accordance with the laws of the Republic of Kazakhstan and the terms of the loan agreement.



3. The terms of repayment of the budget loan shall be determined by the authorized body for budget execution.

#### **Article 160. Termination of the creditor's claim for repayment of the budget loan and termination of the guarantee**

1. The creditor's demand for repayment of a budget loan shall cease upon proper fulfillment by the borrower of obligations under the loan agreement if the borrower and the creditor are the same people, or upon the liquidation of the borrower in accordance with the legislation of the Republic of Kazakhstan or based on a court order.

Debt on budget loans recognized as uncollectible shall not be repaid.

The procedure for recognizing budget loans as uncollectible shall be determined by the central authorized body for budget execution.

Termination of creditor claims for state educational and student loans in the event of the death of the borrower or declaration of his death shall be carried out by the decision of the central authorized body for budget execution based on the data of the attorney (agent).

2. In the event of liquidation of the borrower, the termination of the creditor's claim for repayment of the budget loan shall be carried out after the preliminary procedures for assessing the fulfillment of obligations provided for by the legislation of the Republic of Kazakhstan shall be carried out:

1) for budget loans issued from the republican budget, based on the decision of the creditor;

2) for budget loans issued from the local budget, based on the decision of the maslikhat.

3. The debt of liquidated borrowers specified in paragraph 2 of this article, the debt of borrowers for whom claims have been terminated based on a court decision that has entered into legal force on the refusal to satisfy or partially satisfy the claim of the creditor or administrator of the budget program, as well as the debt on budget loans recognized as uncollectible, shall be subject to write-off by the creditor.

#### **Article 161. Control over budget loans**

1. The creditor, the administrator of the budget program and (or) the attorney (agent) shall exercise control over the use of the budget loan for its intended purpose and the availability of security for the fulfillment of obligations under it in the manner established by the authorized body for budget execution in agreement with the authorized body for budget policy.

2. If facts are revealed that a budget loan has been used for other than its intended purpose, the creditor, budget program administrator, or attorney (agent) shall collect from the borrower the unlawfully used amount of the loan, with a fine in the amount established in the loan agreement.

#### **Article 162. Monitoring and accounting of budget loans**

1. Budget loans are subject to mandatory registration, accounting and monitoring in accordance with the procedure established by the central authorized body for budget execution.

Budgetary monitoring and evaluation of results for budget loans shall be carried out in accordance with this Code.

2. Lenders maintain registers of all budget loans provided, broken down by borrowers and attorneys (agents).

3. Information forms shall be provided by borrowers, attorneys (agents), and final borrowers in the manner established by the central authorized body for budget execution.

## **Chapter 31. GRANTS**

### **Article 163. General provisions on tied and untied grants**

1. Grant is gratuitous financial or technical assistance provided by donors to government organizations of the Republic of Kazakhstan.

Gratuitous financial assistance is the provision of money by donors to state organizations of the Republic of Kazakhstan to finance the supply of goods, performance of work and provision of services.

Free technical assistance is the implementation or organization by donors of the supply of goods, performance of work and provision of services to state organizations of the Republic of Kazakhstan.

Donors are foreign states, their governments and agencies, international and foreign state organizations, foreign non-governmental public organizations and foundations whose activities do not contradict the Constitution of the Republic of Kazakhstan.

2. Untied grants are the grants that do not provide for further borrowing by the Government of the Republic of Kazakhstan from the donor that provided the grant, or co-financing from the republican and local budgets.

The attraction, use, monitoring and evaluation of the use of untied grants shall be carried out in the manner determined by the central authorized body for budget policy.

3. Tied grants are grants that provide for further borrowing by the Government of the Republic of Kazakhstan from the donor that provided the grant, or co-financing from the republican and local budgets within the framework of the relevant budget program aimed at implementing the tied grant.

A tied grant agreement is an agreement between a government agency and a donor that provides for the provision of gratuitous financial or technical assistance to the Republic of Kazakhstan.

### **Article 164. Planning of tied grants**

1. Tied grant planning is the activity of central government bodies in the formation, submission and selection of applications for tied grants based on donor proposals for the provision of gratuitous financial and technical assistance.

2. Applications for the attraction of tied grants shall be submitted by central government bodies, taking into account applications from local representative and executive bodies, to the

central authorized body for budget policy in the manner determined by the central authorized body for budget policy.

Applications for related grants aimed at or providing for the creation or development of information systems shall be accompanied by an industry-specific opinion from the authorized body in the field of information technology.

3. The selection of applications for the attraction of tied grants shall be carried out by the central authorized body for budget policy based on the compliance of the application for the attraction of a tied grant with the documents of the State Planning System of the Republic of Kazakhstan, the policy for the provision of tied grants by donors.

#### **Article 165. Attraction of tied grants**

1. Based on the selected applications for tied grants, the central authorized body for budget policy shall send applications to donors for the provision of tied grants.

2. If the donor approves the application for a tied grant, the advisability of attracting it shall be determined by the relevant budget commissions.

Based on the results of the approval of applications by the relevant budget commissions, the central authorized body for budget policy approves a list of applications for attracting related grants.

3. Based on proposals from the relevant budget commissions, during the year, the central authorized body for budget policy may make changes and additions to the approved list of applications for the attraction of tied grants.

4. The tied grant agreement shall be concluded after approval of the Republican or local budgets.

#### **Article 166. Use of tied grants**

1. The use of tied grants shall be carried out by state organizations - recipients of grants in accordance with the tied grant agreement and the legislation of the Republic of Kazakhstan.

2. Government organizations that receive tied grants shall be required to:

- 1) to fulfill on time the obligations assumed under the tied grant agreement;
- 2) ensure targeted and effective use of the received related grants;
- 3) ensure that equipment and materials acquired using related grants are placed on the balance sheet;
- 4) promptly complete customs declarations when importing goods purchased using grants;
- 5) provide monthly information to the authorized body for budget execution on the use of related grants.

3. Upon completion of the use of a tied grant, state organizations - recipients of tied grants shall submit to the central authorized body for budget policy and tied grants aimed at or providing for the creation and development of information systems, also to the authorized body in the field of information technology, a final report on the use of the tied grant, signed by the authorized representative of the donor and the first head of the central state or local representative or executive body, at whose request the tied grant was attracted.

## **Article 167. Monitoring and evaluation of the use of tied grants**

1. Monitoring the use of tied grants shall include:

1) collection and processing by central state, local representative and executive bodies of information on the progress and results of the use of related grants;

2) submission by the central state, local representative and executive bodies of reports on the progress and results of the use of tied grants to the central authorized bodies for budget policy and budget execution, and also, in cases provided for by this Code, to the authorized body in the field of information technology and communications.

2. The procedure, deadlines and forms of reporting, as well as the requirements for the information provided on the progress and results of the use of related grants, shall be determined by the central authorized body for budget policy together with the central authorized body for budget execution, and also, for the cases provided for by this Code, by the authorized body in the field of information technology and communications.

3. The assessment of the use of tied grants shall be carried out by the central authorized body for budget policy in the manner determined by the central authorized body for budget policy and the central authorized body for budget execution.

4. The central authorized body for budget policy shall prepare a consolidated report on the use of tied grants, based on the results of their assessment, and submit it to the central authorized body for budget execution.

5. The consolidated report on the use of tied grants and the results of the assessment of the use of tied grants shall be subject to publication in accordance with Article 40 of this Code.

## **SECTION 8. TRANSITIONAL AND FINAL PROVISIONS Chapter 32. TRANSITIONAL PROVISIONS**

## **Article 168. Features of execution, clarification, sequestration and adjustment of the Republican and local budgets in the 2025 financial year**

1. Republican and local budgets for the 2025 financial year shall operate according to a budget structure that consists of the following sections:

1) income:

tax revenues;

non-tax revenues;

proceeds from the sale of fixed assets;

receipt of transfers;

2) costs;

3) net budget lending:

budget loans;

repayment of budget loans;

4) balance on transactions with financial assets:

acquisition of financial assets;

proceeds from the sale of state financial assets;  
5) budget deficit (surplus);  
6) non-oil budget deficit (surplus);  
7) financing the budget deficit (using the surplus):  
receipt of loans;  
repayment of loans;  
used budgetary funds balances.

2. Budget receipts shall include income, amounts of repayment of budget loans, receipts from the sale of state financial assets, and loans.

Budget revenues include tax and non-tax receipts, receipts from the sale of fixed capital, and receipts from transfers.

Incomes do not have a designated purpose, except for targeted transfers. The introduction of new types of income, and the cancellation or modification of existing ones shall be carried out with the mandatory introduction of amendments and (or) additions to this Code.

Tax revenues are taxes and other mandatory payments to the budget established by the Code of the Republic of Kazakhstan "On taxes and other mandatory payments to the budget" (Tax Code), customs duties, and customs fees established in accordance with the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan, as well as special, anti-dumping, compensatory duties established in accordance with the Treaty on the Eurasian Economic Union.

Tax revenues also include advance payments made in accordance with the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan towards payment of upcoming customs duties, customs fees, taxes, special, anti-dumping, and countervailing duties.

Non-tax revenues are mandatory, non-refundable payments to the budget established by this Code and other legislative acts of the Republic of Kazakhstan, except for those provided for by the Code of the Republic of Kazakhstan "On Taxes and Other Mandatory Payments to the Budget" (Tax Code), the customs legislation of the Eurasian Economic Union and (or) the Republic of Kazakhstan, not related to revenues from the sale of fixed capital, tourist fees for foreigners, as well as money transferred to the budget on a gratuitous basis, except for transfers.

Proceeds from the sale of fixed capital are receipts to the budget of money from:

- 1) sale of state property assigned to state institutions;
- 2) sales of goods from the state material reserve;
- 3) the sale of land plots in state ownership into private ownership or their provision for permanent or temporary land use or their sale in another manner in accordance with the procedure provided for by the laws of the Republic of Kazakhstan or international treaties;
- 4) sale of intangible assets owned by the state.

Transfer receipts are transfer receipts from one budget level to another, from the National Fund of the Republic of Kazakhstan to the republican budget.

The amounts of repayment of budget loans are budget receipts related to the repayment of the principal debt on loans received from the budget, as well as the fulfillment by legal entities of requirements for paid state guarantees, state guarantees for export support.

Proceeds from the sale of state financial assets are budget revenues from the sale of participation shares, securities of legal entities, including international organizations that are state-owned, state institutions and state enterprises in the form of a property complex, as well as other state property under the operational management or economic management of state enterprises.

Loans are receipts of money into the budget related to the issue of government securities and/or the conclusion of loan agreements.

3. Tax revenues to the republican budget are:

1) corporate income tax from large business entities according to the list approved by the central authorized body for state planning jointly with the central authorized body for budget execution, except for receipts from organizations in the oil sector.

The list of large business entities provided for in the first paragraph of this subparagraph shall be approved no later than May 1 of the preceding year and shall not be subject to change during the period of validity of the law on the volume of general transfers;

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

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

4) tax on gambling business;

5) excess profit tax, except for receipts from organizations in the oil sector;

6) bonuses, except for receipts from organizations in the oil sector;

7) tax on the extraction of minerals, except for revenues from organizations in the oil sector;

8) rent tax on exports, except for receipts from organizations in the oil sector;

9) the share of the Republic of Kazakhstan in production sharing under concluded contracts, except for receipts from organizations in the oil sector;

10) additional payment by a subsoil user operating under a production sharing contract, except for receipts from oil sector organizations;

11) fee for travel of motor vehicles on the territory of the Republic of Kazakhstan;

12) fee for issuing a permit for the use of the radio frequency spectrum by television and radio broadcasting organizations;

13) fee for registration of a television or radio channel, periodical printed publication, information agency or online publication;

14) fee for state registration of medicines and medical devices, as well as their re-registration;

15) fee for the provision of long-distance and (or) international telephone communications, as well as cellular communications;

16) fee for the use of radio frequency spectrum;

17) digital mining fee;

18) customs duties on imported and exported goods;

19) customs duties paid in accordance with the customs legislation of the Republic of Kazakhstan;

20) special, anti-dumping, and compensatory duties paid in connection with the application of measures to protect the domestic market;

21) advance payments made in accordance with the customs legislation of the Eurasian Economic Union and the Republic of Kazakhstan towards payment of upcoming payments listed in subparagraphs 18), 19) and 20) of part one of this paragraph, as well as value-added tax and excise taxes on goods imported into the customs territory of the Eurasian Economic Union;

22) consular fee;

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

24) fee for state registration of space objects and rights to them;

25) fee for issuing permits and consent for participants in the banking and insurance markets;

26) a license fee for issuing a license related to the right to engage in certain subtypes of activity in the hydrocarbon sector;

27) fee for issuing a document confirming the residency of a foreigner or stateless person who is an investment resident of the Astana International Financial Centre;

28) tax revenues from organizations in the oil sector specified in subparagraph 1) of paragraph 2 of Article 58 of this Code, based on the results of tax audits.

Non-tax revenues to the republican budget are:

1) income from republican property:

receipt of part of the net income of republican state enterprises;

receipt of part of the net income of the National Bank of the Republic of Kazakhstan;

dividends on state-owned shares owned by the republic;

income from shares in legal entities owned by the republic;

income from renting property owned by the republic;

remuneration for the placement of funds from government external loans in accounts in second-tier banks, on deposits of the Government of the Republic of Kazakhstan in the

National Bank of the Republic of Kazakhstan and on the daily balance of money in the single treasury account;

remuneration for loans issued from the republican budget;

income from the sale of weapons and military equipment;

other income from republican property;

2) proceeds from the sale of goods (works, services) by government institutions financed from the republican budget;

3) receipts from government procurement organized by government agencies financed from the republican budget;

4) fines, penalties, sanctions, and penalties imposed by state institutions financed from the republican budget, as well as those maintained and financed from the budget (expense estimates) of the National Bank of the Republic of Kazakhstan, except for receipts from organizations in the oil sector, to the Victims Compensation Fund, the Education Infrastructure Support Fund, and the Special State Fund;

5) fee for legalization of property;

6) other non-tax revenues to the republican budget, except for revenues from organizations in the oil sector, the Victims Compensation Fund, the Education Infrastructure Support Fund, and the Special State Fund.

Proceeds from the sale of fixed capital to the republican budget are money from the sale of goods from the state material reserve.

The transfer receipts to the republican budget are:

1) transfers from regional budgets, budgets of cities of republican significance, and the capital;

2) guaranteed transfer to the republican budget from the National Fund of the Republic of Kazakhstan;

3) targeted transfer to the republican budget from the National Fund of the Republic of Kazakhstan.

The republican budget receives revenues from the repayment of loans and government borrowings issued from the republican budget.

4. Tax revenues to the regional budget are:

1) individual income tax according to income distribution standards established by the regional maslikhat;

2) corporate income tax according to the income distribution standards established by the regional maslikhat in the amount of no more than fifty percent of the received tax deductions, except for receipts from large business entities according to the list approved by the central authorized body for state planning jointly with the central authorized body for budget execution, and receipts from organizations in the oil sector;

3) social tax according to the income distribution standards established by the regional maslikhat;



4) payment for negative impact on the environment;

5) payment for the use of surface water resources;

6) fee for forest use;

7) fee for issuing or extending a permit to attract foreign labor to the Republic of Kazakhstan;

8) payment for the use of plant resources in the order of special use of the plant world;

9) fee for use of wildlife;

10) payment for reimbursement of historical costs.

Non-tax revenues to the regional budget are:

1) income from municipal property:

receipt of a portion of the net income of public utility enterprises created by the decision of the regional akimat;

dividends on state-owned shares in regional municipal ownership;

income from shares in legal entities that are in regional municipal ownership;

income from renting regional municipal property;

remuneration for loans issued from the regional budget;

rewards received from placing temporarily free budget funds into deposits;

other income from regional municipal property;

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

3) receipts from government procurement organized by government agencies financed from the regional budget;

4) fines, penalties, sanctions, and penalties imposed by government agencies financed from the regional budget;

5) contributions from subsoil users for the socio-economic development of the region and the development of its infrastructure according to the income distribution standards established by the regional maslikhat;

6) receipts from operators of facilities that harm the environment, from claims for compensation for damage, except for receipts from organizations in the oil sector;

7) administrative fines, penalties, sanctions, and fines imposed by judicial officers, bailiffs, and other court employees authorized by the court chairman or the presiding judge at the court hearing, except for receipts from oil sector organizations and tax offenses;

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

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

The transfer receipts to the regional budget are:

1) transfers from district (cities of regional significance) budgets;

2) transfers from the republican budget.

The regional budget receives revenues from the repayment of loans issued from the regional budget, the sale of state financial assets that are in regional municipal ownership, and loans from local executive bodies of the regions.

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

- 1) individual income tax;
- 2) corporate income tax, except for receipts from large business entities on the list approved by the central authorized body for state planning jointly with the central authorized body for budget execution, and receipts from organizations in the oil sector;
- 3) social tax;
- 4) tax on property of individuals and legal entities, individual entrepreneurs;
- 5) land tax;
- 6) single land tax;
- 7) tax on vehicles;
- 8) excise taxes on:
  - all types of alcohol produced in the territory of the Republic of Kazakhstan;
  - alcoholic beverages produced in the territory of the Republic of Kazakhstan;
  - beer with an ethyl alcohol content of no more than 0.5 percent, produced in the territory of the Republic of Kazakhstan;
  - tobacco products produced in the territory of the Republic of Kazakhstan;
  - passenger cars (except for cars with manual control or a manual control adapter, specially designed for persons with disabilities) manufactured in the territory of the Republic of Kazakhstan;
  - gasoline (except aviation gasoline), diesel fuel, gasohol, benzanol, nefras, mixtures of light hydrocarbons and environmentally friendly fuel;
- 9) payment for the use of surface water resources;
- 10) fee for forest use;
- 11) payment for negative impact on the environment;
- 12) fee for use of wildlife;
- 13) payment for the use of land plots;
- 14) fee for the right to engage in certain types of activities (fee for issuing licenses for engaging in certain types of activities);
- 15) fees for the use of licenses for engaging in certain types of activities;
- 16) fee for state (registration) registration of legal entities, their branches and representative offices, except for commercial organizations, as well as their re-registration;
- 17) state duty, except for consular fees and state duties transferred to the republican budget;
- 18) fee for state registration of a pledge of movable property and a mortgage of an aircraft, as well as state registration of an irrevocable power of attorney for deregistration and export of an aircraft;

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

20) fee for the placement of outdoor (visual) advertising in open spaces outside of premises in a city of republican significance, the capital, the right-of-way of public roads passing through the territory of a city of republican significance, the capital;

21) fee for issuing or extending a permit to attract foreign labor to the Republic of Kazakhstan;

22) payment for reimbursement of historical costs.

Non-tax revenues to the budgets of the city of republican significance and the capital are:

1) income from municipal property:

receipts of a portion of the net income of municipal state enterprises created by the decision of the akimats of the city of republican significance and the capital;

dividends on state-owned shares in municipal ownership of a city of republican significance or the capital;

income from shares in legal entities that are in municipal ownership of a city of republican significance, the capital;

income from the rental of municipal property of a city of republican significance, the capital;

remuneration for loans issued from the budgets of the city of republican significance and the capital;

rewards received from placing temporarily free budget funds into deposits;

other income from municipal property of a city of republican significance, the capital;

2) proceeds from the sale of goods (works, services) by government institutions financed from the budgets of the city of republican significance, the capital;

3) receipts of money from public procurement organized by state institutions financed from the budgets of the city of republican significance and the capital;

4) fines, penalties, sanctions, and penalties imposed by government agencies financed from the budgets of a city of republican significance or the capital;

5) contributions from subsoil users for the socio-economic development of the region and the development of its infrastructure;

6) tourist fees for foreigners;

7) receipts from operators of facilities that harm the environment, from claims for compensation for damage, except for receipts from organizations in the oil sector;

8) administrative fines, penalties, sanctions, and fines imposed by judicial officers, bailiffs, and other court employees authorized by the court chairman or the presiding judge at the court hearing, except for receipts from oil sector organizations and tax offenses;

9) other non-tax revenues to the budget of the city of republican significance, the capital.

The budget revenues of the city of republican significance, the capital, from the sale of fixed capital are:

- 1) money from the sale of state property assigned to state institutions financed from the budgets of the city of republican significance and the capital;
- 2) proceeds from the sale of land plots, except for agricultural land plots;
- 3) fee for the sale of the right to lease land plots.

Transfers received by the budgets of the city of republican significance and the capital are transfers from the republican budget.

The budgets of the city of republican significance and the capital receive revenues from the repayment of loans issued from the budgets of the city of republican significance and the capital, the sale of state financial assets that are in the municipal ownership of the city of republican significance and the capital, and loans from local executive bodies of the city of republican significance and the capital.

6. Tax revenues to the district (city of regional significance) budget are:

1) individual income tax according to the income distribution standards established by the regional maslikhat, except for individual income tax on income subject to taxation independently by individuals who have, on the territory of a city of district significance, village, or settlement, declared upon registration with the state revenue authority:

location – for an individual entrepreneur, private notary, private bailiff, lawyer, professional mediator;

place of residence – for other individuals;

2) corporate income tax according to the income distribution standards established by the regional maslikhat in the amount of not less than fifty percent of the received tax deductions, except for receipts from large business entities according to the list approved by the central authorized body for state planning jointly with the central authorized body for budget execution, and receipts from organizations in the oil sector;

3) social tax according to the income distribution standards established by the regional maslikhat;

4) property tax of individuals and legal entities, individual entrepreneurs, except for property tax of individuals on objects of taxation of this tax located on the territory of a city of district significance, village, settlement, rural district;

5) land tax, except for land tax on lands of populated areas from individuals and legal entities and on land plots located on the territory of a city of district significance, village, or settlement;

6) tax on vehicles, except for the tax on vehicles:

from individuals whose place of residence is located in the territory of a city of district significance, village, or settlement;

from legal entities whose location, as indicated in their constituent documents, is located on the territory of a city of district significance, village, or settlement;

7) excise taxes on:

all types of alcohol produced in the territory of the Republic of Kazakhstan;

alcoholic beverages produced in the territory of the Republic of Kazakhstan;  
beer with an ethyl alcohol content of no more than 0.5 percent, produced in the territory of the Republic of Kazakhstan;

tobacco products produced in the territory of the Republic of Kazakhstan;

passenger cars (except for cars with manual control or a manual control adapter, specially designed for persons with disabilities) manufactured in the territory of the Republic of Kazakhstan;

gasoline (except aviation gasoline), diesel fuel, gasohol, benzanol, nefras, mixtures of light hydrocarbons and environmentally friendly fuel;

8) payment for the use of land plots, except for land plots located on the territory of a city of district significance, village, or settlement;

9) a license fee for the right to engage in certain types of activities (a fee for issuing licenses for engaging in certain types of activities);

10) fees for using licenses to engage in certain types of activities;

11) fee for state (registration) registration of legal entities, their branches and representative offices, except for commercial organizations, as well as their re-registration;

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

13) fee for state registration of a pledge of movable property and a mortgage of an aircraft, as well as state registration of an irrevocable power of attorney for deregistration and export of an aircraft;

14) fee for the placement of outdoor (visual) advertising in open spaces outside of premises in a city of regional significance, the right-of-way of public roads passing through the territory of a city of regional significance;

15) state duty, except for consular fees and state duties transferred to the republican budget.

The tax revenue to the budget of a city of regional significance is a single land tax.

Non-tax revenues to the district (city of regional significance) budget are:

1) income from municipal property:

receipts of a portion of the net income of public utility enterprises created by the decision of the district akimat (city of regional significance);

dividends on government-owned shares in the municipal ownership of a district (city of regional significance);

income from shares in legal entities that are in the municipal ownership of the district (city of regional significance);

income from the lease of municipal property of a district (city of regional significance), except for income from the lease of municipal property of a district (city of regional significance) under the management of the akims of a city of regional significance, village, settlement, or rural district;

remuneration for loans issued from the district (city of regional significance) budget;

other income from municipal property of the district (city of regional significance);

2) proceeds from the sale of goods (works, services) by government institutions financed from the district (city of regional significance) budget;

3) receipts from government procurement organized by government agencies financed from the district (city of regional significance) budget;

4) fines imposed by state institutions financed from the district (city of regional significance) budget, except for fines imposed by akims of cities of district significance, villages, settlements, and rural districts;

5) contributions from subsoil users for the socio-economic development of the region and the development of its infrastructure according to the income distribution standards established by the regional maslikhat;

6) tourist fees for foreigners;

7) other non-tax revenues to the district (city of regional significance) budget.

The revenues to the district (city of regional significance) budget from the sale of fixed capital are:

1) money from the sale of state property assigned to state institutions financed from the district (city of regional significance) budget;

2) proceeds from the sale of land plots, except for proceeds from the sale of agricultural land plots or land plots located on the territory of a city of district significance, village, or settlement;

3) payment for the sale of the right to lease land plots, except for land plots located on the territory of a city of district significance, village, or settlement.

Transfer receipts to the district (city of regional significance) budget are transfers from the regional budget and the budgets of cities of regional significance, villages, settlements, and rural districts.

The district (city of regional significance) budget receives revenues from the repayment of loans issued from the district (city of regional significance) budget, the sale of state financial assets that are in the municipal ownership of the district (city of regional significance), and loans from the local executive body of the district (city of regional significance).

7. Tax revenues to the budgets of a city of district significance, village, settlement, or rural district are:

1) individual income tax on income subject to taxation by individuals who have declared upon registration with the state revenue authority the following in the territory of a city of district significance, village, or settlement:

location – for an individual entrepreneur, private notary, private bailiff, lawyer, professional mediator;

place of residence – for other individuals;

2) property tax for individuals on objects subject to this tax, located on the territory of a city of district significance, village, settlement, rural district;

3) land tax on lands of populated areas from individuals and legal entities on land plots located on the territory of a city of district significance, village, or settlement;

4) single land tax;

5) vehicle tax:

from individuals whose place of residence is located in the territory of a city of district significance, village, or settlement;

from legal entities whose location, as indicated in their constituent documents, is located on the territory of a city of district significance, village, or settlement;

6) payment for the use of land plots;

7) fee for placement of outdoor (visual) advertising:

in open spaces outside of buildings in a city of regional significance, village, or settlement ;

in the right-of-way of public roads passing through the territories of a city of regional significance, village, settlement, rural district;

in open spaces outside of buildings outside of populated areas and outside the right-of-way of public roads.

Non-tax revenues to the budgets of a city of district significance, village, settlement, rural district are:

1) fines imposed by akims of cities of district significance, villages, settlements, and rural districts for administrative offenses;

2) voluntary collections of individuals and legal entities;

3) income from municipal property of a city of district significance, village, settlement, rural district (municipal property of local government):

receipts of a portion of the net income of municipal state enterprises created by decision of the apparatus of the akim of a city of district significance, village, settlement, or rural district;

income from shares in legal entities that are in the municipal property of a city of district significance, village, settlement, rural district (municipal property of local government);

income from the rental of municipal property of a city of district significance, village, settlement, rural district (municipal property of local government);

other income from municipal property of a city of district significance, village, settlement, rural district (municipal property of local government);

4) other non-tax revenues to the budgets of a city of district significance, village, settlement, rural district.

The revenues to the budgets of a city of district significance, village, settlement, rural district from the sale of fixed capital are:

1) money from the sale of state property assigned to state institutions financed from the budgets of a city of district significance, village, settlement, or rural district;

2) proceeds from the sale of land plots, except for proceeds from the sale of agricultural land plots;

3) fee for the sale of the right to lease land plots.

Transfer receipts to the budgets of a city of district significance, village, settlement, rural district are transfers from the district (city of regional significance) budget.

8. Budget programs of administrators of republican budget programs developing development plans for state bodies are approved by administrators of budget programs in agreement with the central authorized bodies for state planning and budget planning.

Budget programs of administrators of republican budget programs that do not design development plans for state bodies are approved by administrators of budget programs in agreement with the central authorized body for budget planning.

Budget programs of administrators of local budget programs are approved by administrators of budget programs in agreement with the relevant local authorized body for state planning, except for budget programs of administrators of local budget programs financed from the budgets of cities of district significance, villages, settlements, rural districts, which are approved in agreement with local authorized bodies for state planning of districts (cities of regional significance).

Budget programs aimed at implementing activities through targeted transfers or loans from a higher budget are approved (re-approved) by administrators of budget programs of a lower budget in agreement with the administrator of budget programs of a higher budget transferring targeted transfers or loans and local authorized bodies for state planning.

The approved (re-approved) budget programs of the administrator of budget programs of a higher budget, aimed at providing targeted transfers for development or loans to lower budgets, are communicated by administrators of republican or regional budget programs to local authorized bodies for state planning of regions, cities of republican significance, the capital or districts (cities of regional significance) no later than three working days from the date of their approval (re-approval).

The approved (re-approved) budget programs of the administrator of budget programs of a higher budget, aimed at providing targeted transfers for development or loans to lower budgets, are communicated by administrators of district (city) budget programs to the offices of akims of cities of district significance, villages, settlements, rural districts no later than three working days from the date of their approval (re-approval).

Budget programs are re-approved in the event of a change in their funding volumes and performance indicators when clarifying or adjusting the budget in agreement with the central authorized body for budget planning or the local authorized body for state planning.

Changes and additions are made to budget programs in the cases and in the manner determined by this Code.

9. A budget request is a set of documents prepared by the administrator of budget programs for the next planning period to justify the volume of expenditures.



Budget expenditures shall be divided into basic expenditures and expenditures for new initiatives.

Basic expenses are expenses of a permanent nature, capital expenses, as well as expenses on initiated (ongoing) budget investments and the fulfillment of accepted state obligations under public-private partnership projects, including state concession obligations.

Expenses of a permanent nature are expenses related to the performance of state functions, powers and the provision of state services, payments of transfers and other obligations of the state.

Expenditures on new initiatives include expenditures aimed at:

implementation of new directions of national priorities in accordance with the documents of the State Planning System of the Republic of Kazakhstan, subsequently financed under new budget programs;

an increase in base expenditures that is not associated with changes in macroeconomic and social indicators and provides for additional areas of spending budget funds (expansion of the volume of state functions performed, powers and state services provided) within the framework of existing budget programs.

Calculations and justification for the budget application for the budget program aimed at targeted transfer to an organization specializing in improving the quality of credit portfolios of second-tier banks are submitted by the authorized body for regulation, control and supervision of the financial market and financial organizations to the Government of the Republic of Kazakhstan and the administrator of republican budget programs.

10. A target contribution is a gratuitous and non-refundable payment from the budget to the activities of autonomous educational organizations and (or) to a non-profit organization created in the organizational and legal form of a foundation solely to ensure the financing of the activities of autonomous educational organizations and their organizations.

The target contribution shall be directed towards the purposes defined by the legislative acts of the Republic of Kazakhstan.

Autonomous educational organizations and their organizations, and a non-profit organization created in the organizational and legal form of a fund, shall quarterly generate reports on the use of the target contribution, containing information on the progress and results of its use, and submit them to the administrators of budget programs.

The procedure for drawing up reports on the use of the target contribution, the forms and deadlines for its submission, as well as the requirements for the information provided on the progress and results of the use of the target contribution, shall be determined by the central sectoral government bodies - administrators of budget programs in agreement with the central authorized body for budget execution.

Information on the use of the target contribution is subject to publication.

11. Targeted transfers are gratuitous and non-refundable payments from the republican budget to a non-profit organization that provides conditions for the activities of bodies and

their organizations, as well as participants in the international financial center, exclusively for the acquisition of long-term assets, provision and financing of the activities of bodies and their organizations.

A non-profit organization that provides conditions for the activities of bodies and their organizations, as well as participants in the international financial center, exclusively for the acquisition of long-term assets, provision and financing of the activities of bodies and their organizations, shall quarterly generate a report on the use of the targeted transfer, containing information on the progress and results of its use, and submit it to the administrator of budget programs.

The procedure for drawing up reports on the use of targeted transfers, the forms and deadlines for their submission, as well as the requirements for the information provided on the progress and results of the use of targeted transfers shall be determined by central sectoral government bodies – administrators of budget programs in agreement with the central authorized body for budget execution.

Information on the use of targeted transfers is included in the annual report on the execution of the republican budget and is subject to publication.

The head of a non-profit organization that provides conditions for the activities of bodies and their organizations, as well as participants in the international financial center, exclusively to ensure and finance the activities of bodies and their organizations, heads of autonomous educational organizations and their organizations and a non-profit organization created in the organizational and legal form of a foundation, bear responsibility, as established by the laws of the Republic of Kazakhstan, for:

achievement of performance indicators defined in the development plans of state bodies, development plans, action plans of quasi-public sector entities, as well as long-term development strategies of autonomous educational organizations and (or) in budget programs of the relevant administrators of budget programs;

validity and reliability of calculations for the budget program (subprogram), completeness and timeliness of submission of the budget program (subprogram);

the validity and reliability of reports on the use of budgetary funds.

12. Targeted contributions are gratuitous and non-refundable payments from the republican budget to the social health insurance fund:

- 1) to pay for the provision of services within the guaranteed volume of free medical care;
- 2) in the form of state contributions for compulsory social health insurance for citizens of the Republic of Kazakhstan exempt from paying contributions to the social health insurance fund, as defined by the Law of the Republic of Kazakhstan "On Compulsory Social Health Insurance";

- 3) to pay for the services of healthcare entities for the provision of medical care in the system of compulsory social health insurance to military personnel, employees of special state and law enforcement agencies, and civil defense agencies.

The Social Health Insurance Fund ensures the achievement of the performance indicators of the target contribution, as defined in the development plan of the authorized body in the field of healthcare.

Financing of the budget program (subprogram) aimed at investing a target contribution shall be carried out in accordance with the procedure established by the authorized body in the field of healthcare in agreement with the central authorized body for budget execution.

The Social Health Insurance Fund and the relevant administrators of budget programs shall prepare reports on the use of the target contribution in the manner determined by the central authorized body for budget execution.

The procedure for drawing up reports on the use of the target contribution, the forms and deadlines for its submission, as well as the requirements for the information provided on the progress and results of the use of the target contribution, shall be determined by the authorized body in the field of healthcare in agreement with the central authorized body for budget execution.

Information on the use of the target contribution is subject to publication.

The head of the social health insurance fund and the relevant administrators of budget programs bear responsibility, as established by the laws of the Republic of Kazakhstan, for:

achievement of performance indicators defined in the development plans of state bodies, development plans, action plans of quasi-public sector entities and (or) budget programs of the relevant administrators of budget programs;

validity and reliability of calculations for the budget program (subprogram), completeness and timeliness of submission of the budget program (subprogram);

the validity and reliability of reports on the use of budgetary funds.

13. The consolidated plan for financing obligations, the consolidated plan for receipts and financing payments, plans for financing obligations and payments of administrators of budget programs, and individual plans for financing obligations and payments of government agencies shall be developed, approved and subject to change in the manner established by this Code.

14. Execution of budgets based on receipts, acceptance of obligations, implementation of payments and money transfers, use of budgetary funds balances as of January 1, 2025, clarification, sequestration and adjustment of budgets in 2025, monitoring shall be carried out in the manner prescribed by this Code.

15. When clarifying, adjusting and executing the Republican and local budgets in 2025:

1) Article 15 of this Code shall apply as follows:

"The expenses of special government agencies that carry out intelligence and counterintelligence activities and their institutions, as well as government agencies that ensure the security of protected persons and facilities, are classified according to one functional group with reflection according to one specificity of the economic classification of expenses for the following budget programs:

one budget program aimed at fulfilling state functions and powers, providing transfers and making capital expenditures;

one budget program aimed at implementing budget investments.

Expenses on the implementation of operational-search activities of state bodies and their institutions, except for special state bodies, are classified according to one functional group, according to one budget program aimed at the performance of state functions and powers, except for capital expenditures and expenses on the implementation of budget investment projects, reflected according to one specific economic classification of expenses.";

2) concerning expenditures of the republican budget, paragraph four of subparagraph 3) of paragraph 1 of Article 30 of this Code shall apply as follows:

"organization and provision of activities of the penal system;"

3) concerning budget expenditures of a city of republican significance or the capital, the first paragraph of subparagraph 3) of paragraph 1 of Article 31 of this Code shall apply as follows:

3) "public order, safety:";

4) concerning regional budget expenditures, the first paragraph of subparagraph 3) of paragraph 1 of Article 32 of this Code shall apply as follows:

3) "public order, safety:".

16. Clarifications, adjustments and execution of the republican and local budgets in the 2025 financial year shall be carried out without applying the provisions of paragraphs 4, 5 and 6 of Article 36, paragraphs 4, 5, 6 and 7 of Article 37, Article 38, the third paragraph of paragraph 1 and paragraphs 3, 4 and 5 of Article 48, part thirteen of paragraph 3 of Article 70, part four of paragraph 1, paragraphs 4, 5 and 6 of Article 79, part three of paragraph 3 of Article 83, parts one, two, three, four, five, sixth, tenth, eleventh, twelfth and thirteenth of paragraph 8 of Article 148, and paragraph two of paragraph 6 of Article 149 of this Code.

**Footnote. Article 168, as amended by the Law of the Republic of Kazakhstan dated 24.06.2025 № 196-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication); dated 18.07.2025 № 215-VIII (shall come into force from 01.01.2025).**

## **Article 169. Features of drawing up annual reports on the execution of the Republican and local budgets for the 2024 and 2025 financial years**

1. The annual report on the execution of the Republican and local budgets for 2024 and 2025 shall be compiled according to the budget structure, consisting of the following sections:

1) income:

tax revenues;

non-tax revenues;

proceeds from the sale of fixed assets;

receipt of transfers;

2) costs;

- 3) net budget lending:
  - budget loans;
  - repayment of budget loans;
- 4) balance on transactions with financial assets:
  - acquisition of financial assets;
  - proceeds from the sale of state financial assets;
- 5) budget deficit (surplus);
- 6) non-oil budget deficit (surplus);
- 7) financing the budget deficit (using the surplus):
  - receipt of loans;
  - repayment of loans;
  - used budgetary funds balances.

2. The annual report on the execution of the republican budget for the 2024 and 2025 financial years shall consist of:

- 1) a report on the execution of the republican budget for the relevant financial year, which represents data on the execution of the republican budget indicators, in accordance with the appendices to the law on the republican budget;
- 2) an analytical report on the execution of the republican budget in terms of receipts and expenditures.

The analytical report on the expenditures of the republican budget contains information on the implementation of goals and the achievement of target indicators of the development plan of the state body concerning budget funds and performance indicators of budget programs and the ineffective implementation of budget programs.

For administrators of republican budget programs who do not design development plans for government agencies, analytical information is reflected for budget programs with an indication of performance indicators.

- 3) explanatory note;
- 4) annual consolidated financial statements on the execution of the republican budget.

3. The annual report on the execution of the local budget for the 2024 and 2025 financial years shall consist of:

- 1) a report on the execution of the local budget, which represents data on the execution of local budget indicators, in accordance with the appendices to the decision of the maslikhat on the local budget;
- 2) an analytical report on the execution of the local budget in terms of revenues and the implementation of local budget programs.

The analytical report on the implementation of local budget programs contains information on the achievement of target indicators of the development plan of the region,

city of republican significance, capital, indicators of direct and final results of local budget programs, the development of allocated budget funds, ineffective implementation of budget programs;

3) explanatory note;

4) annual consolidated financial statements on the execution of the regional budget, budgets of the city of republican significance, and the capital.

4. The annual report on the execution of the republican and local budgets for the 2024 and 2025 financial years with appendices shall be prepared in accordance with paragraphs 2 and 3 of this article, submitted, reviewed and approved in the manner and within the timeframes provided for by this Code.

**Footnote. Article 170 shall be effective until 31.12.2027 in accordance with paragraph 4 of Article 172 of this Code.**

### **Article 170. Block budgeting**

To improve budget legislation, the Government of the Republic of Kazakhstan shall have the right to implement (introduce) a pilot project providing for block budgeting.

Block budgeting is a special pilot procedure of the budget process, the main principles of which are:

1) establishing stable limits on the expenditure of the administrator of budget programs for three years;

2) granting the administrator of budget programs the right to independently plan their expenses within the established stable limits of expenses and use, including the distribution or redistribution of allocated budget funds for the prompt resolution of the goals and objectives of a government agency or local executive body with increased responsibility of top managers

The rules for the implementation (introduction) of block budgeting and the list of state bodies and local executive bodies participating in block budgeting shall be approved by the Government of the Republic of Kazakhstan.

The provisions of this Code shall apply to state bodies and local executive bodies participating in block budgeting, taking into account the features established by the rules for the implementation (implementation) of block budgeting.

## **Chapter 33. FINAL PROVISIONS**

### **Article 171. Responsibility for the violation of budget legislation of the Republic of Kazakhstan**

Violation of the budget legislation of the Republic of Kazakhstan entails liability established by the laws of the Republic of Kazakhstan.

### **Article 172. Procedure for the entry into force of this Code**

1. This Code shall come into effect on January 1, 2025, except for:

1) Article 135, which shall come into effect on January 1, 2026;

2) paragraph five of paragraph 3 of Article 40, subparagraph 5) of paragraph 2 of Article 47, Article 54, part two of paragraph 2 of Article 73, subparagraph 3) of paragraph 2 of Article 90, subparagraph 2) of paragraph 6 of Article 130, paragraph 2 of Article 133, which shall come into effect on January 1, 2027;

3) subparagraph 12) of paragraph 1 of Article 71, paragraph 2 of Article 87, paragraph eight of part three of subparagraph 3) of paragraph 5 of Article 121, which shall come into effect on January 1, 2028.

2. Suspend until July 1, 2025, the effect of paragraph 1 of Article 102 of this Code, establishing that:

1) from January 1, 2025, to April 1, 2025, this paragraph shall apply as follows:

"1. Money from the sale of goods (works, services) by state institutions, which are granted the right to carry out income-generating activities by the laws of the Republic of Kazakhstan, shall be transferred to the relevant budget, with the exception of money from the sale of goods (works, services) produced by state institutions in the fields of science, education, physical education and sports, variety testing, agrochemical services for agricultural production, monitoring and assessment of the melioration state of irrigated lands, veterinary medicine, forestry, specially protected natural areas, state institutions of special state and law enforcement agencies in the field of providing medical care within the framework of the guaranteed volume of free medical care and the system of compulsory social health insurance, as well as state institutions of the Armed Forces of the Republic of Kazakhstan, state libraries, state museums, museum-reserves and state archives, in accordance with the laws of the Republic of Kazakhstan.";

2) from April 1, 2025, to July 1, 2025, this paragraph shall apply as follows:

"1. Money from the sale of goods (works, services) by state institutions, which are granted the right to carry out income-generating activities by the laws of the Republic of Kazakhstan, shall be transferred to the relevant budget, except for money from the sale of goods (works, services) produced by state institutions in the fields of science, education, physical education and sports, variety testing, agrochemical services for agricultural production, veterinary medicine, forestry, specially protected natural areas, state institutions of special state and law enforcement agencies in the field of providing medical care within the framework of the guaranteed volume of free medical care and the system of compulsory social health insurance, as well as state institutions of the Armed Forces of the Republic of Kazakhstan, state libraries, state museums, museum-reserves and state archives, in accordance with the laws of the Republic of Kazakhstan."

3. To establish that parts one and two of paragraph 3 of Article 83 of this Code shall be valid until December 31, 2025.

4. To establish that Article 170 of this Code shall be valid until December 31, 2027.

5. The legislation of the Republic of Kazakhstan in force at the time of entry into force of this Code shall be applied to the extent that it does not contradict it, and within one year from the date of entry into force of this Code shall be brought into conformity with it.

6. To declare the Budget Code of the Republic of Kazakhstan of December 4, 2008, as invalid from the date of entry into force of this Code.

**Footnote. Article 172 as amended by the Law of the Republic of Kazakhstan dated 17.07.2025 № 213-VIII (shall come into effect upon expiry of ten calendar days after the date of its first official publication).**

*The President of the Republic of Kazakhstan*

**K. TOKAYEV**