



On Insurance Payments Guarantee Fund

Unofficial translation

The Law of the Republic of Kazakhstan dated 3 June 2003 № 423.

Unofficial translation

Footnote. The preamble was excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Chapter 1. general provisions

Article 1. Basic terms used in this Law

The following basic terms are used in this Law:

1) agent bank – a bank or organization carrying out separate types of banking operations, rendering services associated with making guarantee payments to creditors under an agency agreement with the Insurance Payments Guarantee Fund;

2) injured person – a person, whose life, health was harmed as a result of vehicle operation by another person;

3) reserve for damages - a reserve formed at the expense of initial one-time contributions, additional contributions and penalties for non-fulfilment or untimely fulfilment by insurance organizations-participants of obligations to pay initial one-time contributions, additional contributions, as well as at the expense of investment income received from investing the funds of the reserve, and reduced by the negative investment income received from investing the funds of the reserve, and reduced by the costs associated with investing the reserve, including the commission fee of the Insurance Payments Guarantee Fund and the amount of relevant taxes and other obligatory payments to the budget. The reserve for compensation of harm shall be used exclusively for compensation of harm to the life, and health of the victim and (or) burial expenses in cases provided for by this Law;

3-1) investment committee - a collegial body of the Insurance Payments Guarantee Fund, which makes investment decisions concerning the assets of the Insurance Payments Guarantee Fund, the funds of insurance payments guarantee reserves and the damage compensation reserve;

4) an advisory committee - a collegial consultative and advisory body representing the interests of insurance organizations, branches of non-resident insurance organizations of the Republic of Kazakhstan that are participants in the system of guaranteeing insurance payments;

5) creditor - an insured person (insured person, beneficiary) who has the right to receive a guarantee payment in accordance with this Law or another person who has compensated the injured person (a person entitled to receive an insurance payment) for the damage caused within the scope of the insurer's liability established by the insurance contract and the laws of the Republic of Kazakhstan, and to which, accordingly, the right to receive an insurance payment has passed;

6) an additional contribution - the amount of money paid by an insurance organizations, a branch of a non-resident insurance organization of the Republic of Kazakhstan to the Insurance Payments Guarantee Fund for compulsory insurance of civil-legal liability of vehicles owners to form a reserve for compensation of damages in accordance with this Law;

6-1) a branch of an insurance organization -non-resident of the Republic of Kazakhstan forcibly terminating its activities - a branch of an insurance organizations-non-resident of the Republic of Kazakhstan, in respect of which a decision was made by the authorized body to revoke the license for the right to carry out insurance activities;

7) insurance organization under compulsory liquidation - an insurance organization-participant, in whose respect a court decision on compulsory liquidation has entered into force;

8) Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication);

9) mandatory contributions - the amount of money paid by an insurance organization participating in the Insurance Payments Guarantee Fund for guaranteed types of insurance in the manner specified by this Law and other regulatory legal acts of the Republic of Kazakhstan;

10) an applicant - a legal entity registered as an insurance organization in accordance with the legislation of the Republic of Kazakhstan, or an insurance organization, a branch of a non-resident insurance organization of the Republic of Kazakhstan, which has passed registration, intending to obtain a license and (or) carry out activities on guaranteed types of insurance;

11) guarantee payment for annuity insurance classes - the amount of money paid by the Insurance Payments Guarantee Fund to the policyholder (the insured, beneficiary) and (or) in favor of the insured within the annuity insurance guarantee in the manner and under the conditions provided for by this Law;

12) guaranteed types of insurance - types of insurance, in respect of which this Law provides for mandatory participation in the Insurance Payments Guarantee Fund;

13) guarantee payment for compulsory types of insurance - the amount of money paid by the Insurance Payments Guarantee Fund in the manner and on the terms provided for by this Law to a policyholder (an insured person, a beneficiary) in case of insured events that have occurred under an insurance contract of a forcibly liquidated insurance organization, that

forcibly terminating the activities of a branch of an insurance organization - a non-resident of the Republic of Kazakhstan, in cases provided for by the Law of the Republic of Kazakhstan "On Insurance Activities";

14) the system of guaranteeing insurance payments - a set of organizational and legal measures provided for by this Law, aimed at protecting the rights and legitimate interests of policyholders (insured persons, beneficiaries) associated with obtaining a guarantee payment for compulsory insurance classes of a forcibly liquidated insurance organization, that forcibly terminating the activities of a branch of an insurance organization - a non-resident organization of the Republic of Kazakhstan upon occurrence of an insured event, as well as a guarantee payment for annuity classes of insurance of a liquidated insurance organizations, forcibly terminating the activities of a branch of an insurance organization -non-resident of the Republic of Kazakhstan;

15) an insurance organization, a branch of a non-resident insurance organization of the Republic of Kazakhstan, which are the participants in the system of guaranteeing insurance payments (insurance organization-participant), - an insurance organization, a branch of a non-resident insurance organization of the Republic of Kazakhstan, which have concluded a participation contract with the Insurance Payments Guarantee Fund;

16) payments of the Insurance Payments Guarantee Fund for compensation of harm to the life, health of an injured person and (or) funeral expenses - the amount of money paid to the injured person, to whose life, health damage was caused, and to persons specified in paragraphs 4 and 5 of Article 17-1 of this Law, in cases provided for by this Law;

16-1) assets of the Insurance Payments Guarantee Fund - the assets of the Insurance Payments Guarantee Fund, except for the reserve for guaranteeing insurance payments and the reserve for damages;

16-2) net worth of the Fund for Guaranteeing Insurance Payments - an amount equal to the difference between the number of assets of the Fund for Guaranteeing Insurance Payments and the number of its liabilities, reserves for guaranteeing insurance payments, reserve for damages;

17) reserve for guaranteeing insurance payments - a reserve formed at the expense of mandatory contributions, penalties for non-fulfilment or untimely fulfilment of obligations by insurance organizations participating in the payment of mandatory contributions, money received by the Fund for Guaranteeing Insurance Payments from a forcibly liquidated insurance (reinsurance) company, forcibly terminating its activities branch of an insurance company - a non-resident of the Republic of Kazakhstan to satisfy the requirements of the Guarantee Fund for insurance payments, as well as at the expense of investment income received from investing reserve funds, and reduced by negative investment income received from investing reserve funds, and reduced by expenses associated with investment reserve, including the commission fee of the Fund for Guaranteeing Insurance Payments, and the amount of relevant taxes and other obligatory payments to the budget. The reserve for

guaranteeing insurance payments shall be used only in cases provided for in paragraph 2-2 of Article 12 of this Law;

18) an insurance contract – a contract, concluded between a policyholder and an insurance organization, a branch of an insurance organization-non-resident of the Republic of Kazakhstan for guaranteed types of insurance;

19) insurance organization under liquidation – a participating insurance organization, in whose respect the authorized body made a decision to revoke its license;

20) emergency contributions - the amount of money paid additionally by an insurance organization participating in the Insurance Payments Guarantee Fund in cases provided for by this Law;

21) standard participation agreement (hereinafter referred to as the participation agreement) - an agreement on participation in the insurance payments guarantee system, concluded between the Insurance Payments Guarantee Fund and participating insurance organization in the manner and under the conditions specified by this Law;

22) contingent liabilities - obligations of an insurance organization participating in the Insurance Payments Guarantee Fund, formed by it for the payment of emergency contributions.

Footnote. Article 1 as amended by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 2. Legislation on Insurance Payments Guarantee Fund

Legislation on Insurance Payments Guarantee Fund is based on the Constitution of the Republic of Kazakhstan and consists of Civil Code of the Republic of Kazakhstan, Law of the Republic of Kazakhstan “On insurance activity”, this Law and other regulatory legal acts of the Republic of Kazakhstan.

The provisions of this Law established for insurance organizations, as well as the provisions of this Law regulating the grounds and procedure for making guarantee payments shall apply to the branches of insurance organizations-non-residents of the Republic of Kazakhstan, carrying out insurance activities on the territory of the Republic of Kazakhstan on guaranteed types of insurance, taking into account the specifics provided for by the Law of the Republic of Kazakhstan "On Insurance Activities".

Footnote. Article 2 as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020).

Chapter 2. State regulation, control and supervision over the activities of the Fund for guaranteeing insurance payments

Footnote. The title of Chapter 2 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020).

Article 2-1. Main purpose, objectives and principles of state regulation in the field of activities of the Insurance Payments Guarantee Fund

1. Main purpose of state regulation in the field of activities of the Insurance Payments Guarantee Fund is to establish the legal basis for the creation and operation of the Insurance Payments Guarantee Fund, as well as the conditions for participation of insurance organizations and branches of insurance organizations that are non-residents of the Republic of Kazakhstan in the Insurance Payments Guarantee Fund.

2. The main objectives of state regulation in the sphere of activities of the Insurance Payments Guarantee Fund are:

- 1) formation of the infrastructure of the insurance payment guarantee system;
- 2) ensuring an appropriate level of protection of the rights and legitimate interests of policyholders (insured persons and beneficiaries).

3. The main principles of state regulation in the field of activity of the Insurance Payments Guarantee Fund are:

1) protection of the rights and legitimate interests of policyholders (insured persons and beneficiaries) in case of forced liquidation of an insurance organization - a participant of the Insurance Payments Guarantee Fund;

2) ensuring the protection of the rights and legitimate interests of persons whose life and health were harmed by another person as a result of a traffic accident, in the event of failure to identify the person who fled the scene of the traffic accident and is responsible for causing harm to the victim.

Footnote. Chapter 2 was supplemented with Article 2-1 in accordance with the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 3. State regulation, control and supervision over the activities of the Insurance Payments Guarantee Fund

Footnote. The title of Article 3, as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020).

1. State regulation, control and supervision over the activities of the Insurance Payments Guarantee Fund (hereinafter - the Fund) is carried out by the authorized body for regulation, control and supervision of the financial market and financial organizations (hereinafter - the authorized body).

2. Is excluded by Law of the Republic of Kazakhstan № 422-V dated 24.11.2015 (shall be enforced from 01.01.2016).

Footnote. Article 3 is in the wording of Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009; as amended by Law of the Republic of Kazakhstan № 30-V dated 05.07.2012 (shall be enforced upon expiry of ten calendar days after its first official

publication); as amended by Law of the Republic of Kazakhstan № 422-V dated 24.11.2015 (shall be enforced from 01.01.2016); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020).

Article 3-1. Supervisory response measures

1. If the authorized body identifies violations of the requirements of the legislation of the Republic of Kazakhstan by the Fund, insurance organizations participating in the Fund, unlawful actions or inaction of officials or employees of the Fund, insurance organizations participating in the Fund that worsened the financial condition of the Fund, the authorized body has the right to apply supervisory response measures to the Fund or insurance organization participating in the Fund provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

2. In order to eliminate the identified faults, risks or violations, the authorized body applies measures to improve the financial condition and (or) minimize the Fund's risks in the form of suspension from duty of the persons specified in paragraph 1 of Article 4-1 of this Law, revoking at the same time the consent for appointment (election) to the Fund's executive position for one of the following reasons:

1) repeated (two or more times within twelve consecutive calendar months) violation of the procedure and amount of investment of the Fund's assets, funds of the reserves for guaranteeing insurance payments and the reserve for damages;

2) violation of the procedure and terms for making guarantee payments, payment for the insurance portfolio of an insurance (reinsurance) organization under compulsory liquidation transferred to a participating insurance organization in the manner and under the conditions stipulated by the legislation of the Republic of Kazakhstan on insurance and insurance activities, as well as payments to compensate for damages to the life, health of an injured person and (or) funeral expenses;

3) repeated (two or more times within twelve consecutive calendar months) failure to notify the authorized body about the facts of violation by participating insurance organizations of the legislation of the Republic of Kazakhstan on insurance and insurance activities that came to his/her notice;

4) disclosure or transfer to third parties (except for the authorized body) of information on the activities of participating insurance organizations obtained in the course of performance of their duties;

5) a failure of the Fund to remedy shortcomings indicated in an audit report within three months of receipt of the audit report by the Fund;

6) a failure to fulfill the requirements of the authorized body made within its competence, which is established by the legislation of the Republic of Kazakhstan.

Footnote. The Law is supplemented by Article 3-1 in accordance with Law of the Republic of Kazakhstan № 234-IV; as amended by Law of the Republic of Kazakhstan № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019; as amended by the Law of the

Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 3-2. Sanctions

Footnote. The law is supplemented by Article 3-2 in accordance with the Law of the Republic of Kazakhstan dated 30.12.2009 № 234-IV; is excluded by Law of the Republic of Kazakhstan № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019).

Article 4. Competence of the authorized body and the National Bank of the Republic of Kazakhstan

Footnote. The heading of Article 4 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020).

1. The authorized body shall:

1) adopt regulatory legal acts binding on the Fund in the sphere of regulation of the Fund's activities in accordance with the purpose and objectives provided for in paragraphs 1 and 2 of Article 2-1 of this Law and the legislation of the Republic of Kazakhstan. The list of by-laws is determined in the regulation on the authorized body;

2) determine the conditions of participant agreement, being standard for all insurance organizations-participants;

3) establish the procedure for investing assets and the list of financial instruments allowed for acquisition at the expense of the Fund's assets, funds of reserves for guaranteeing insurance payments and funds of the reserve for damages;

4) excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020);

5) is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication);

6) Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication);

6-1) approve the methodology for calculating the rate of mandatory, additional contributions and contingent liabilities, the procedure and terms for paying mandatory, initial one-time, additional and extraordinary contributions, the procedure for the formation and accounting of contingent liabilities by insurance organizations participating in the Fund;

6-2) establish the procedure for valuation of the Fund's financial assets formed at the expense of the Fund's assets, funds of reserves for guaranteeing insurance payments in the " general insurance" and "life insurance" sectors, funds of the reserve for damages;

7) coordinate the rates of compulsory and additional contributions, as well as conditional obligations of insurance organizations-participants for each calendar year, subject to payment by insurance organizations-participants to Fund, established by the board of directors of the Fund;

8) give consent to the appointment (election) of the Fund's executives, and also establish the procedure for giving consent, including criteria for the absence of impeccable business reputation, and a list of documents required for obtaining consent;

9) apply supervisory response measures to the Fund, participating insurance organizations in the manner and on the grounds provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities;

10) approve the Charter of the Fund, as well as amendments and (or) additions to it;

10-1) conduct an audit of the Fund;

10-2) coordinate the Fund's strategy, the Fund's risk management policy, and the Fund's internal audit policy, as well as changes and (or) additions to them;

10-3) develop and approve the rules for charging commission fee by the Fund;

10-4) coordinate the internal documents of the Fund approved by the Board of Directors of the Fund, as well as amendments and (or) additions to them on the following issues:

maintaining internal accounting of the Fund's assets, funds of reserves for guaranteeing insurance payments in the "general insurance" and "life insurance" sectors, funds of the reserve for damages;

implementation of the functions provided for in subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, at the expense of the Fund's assets in case of insufficient reserves for guaranteeing insurance payments in the "general insurance" and "life insurance" sectors;

replenishment of the Fund's assets used to perform the functions provided for in subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, due to insufficient reserves for guaranteeing insurance payments in the "general insurance" and "life insurance" sectors;

formation and work of the investment committee, and advisory committee, their main tasks and competencies;

10-5) coordinate the accounting policy of the Fund;

10-6) establish requirements for the risk management and internal control system in the Fund;

11) carry out other powers, provided by this Law and the legislation of the Republic of Kazakhstan.

1-1. Excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

2. The authorized body shall hold the veto right to decisions of general meeting of shareholders and board of directors of the Fund on the following issues:

1) increase of the quantity of authorized shares of stock of the Fund;

2) participation of the Fund in creation and the activity of other legal entities by transferring a part or several parts of assets, equal to ten and more percent from all the assets belonged to the Fund;

3) an increase in the Fund's liabilities by an amount equal to ten or more percent of the Fund's capital;

4) redemption of own placed shares of stock by the Fund and prices for their redemption;
5) consummation of main transactions and transactions, in consummation of which the fund is interested.

2-1. At meetings of the general meeting of shareholders of the Fund, a representative of the authorized body may be present without the right to participate in voting. The representative of the authorized body present at the meeting of the general meeting of shareholders of the Fund shall exercise the veto power on the decisions of the general meeting of shareholders of the Fund on the issues specified in paragraph 2 of this Article.

3. Decisions adopted by the general meeting of shareholders and board of directors of the Fund shall be subject to coordination with the authorized body on the issues, in respect of which paragraph 2 of this Article establishes veto right in the manner and terms, provided by the regulatory legal acts of the authorized body.

4. Non-compliance with requirements of paragraphs 2 and 3 of this Article by the Fund shall entail recognition of these transactions as invalid.

Footnote. Article 4 is in the wording of Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009; as amended by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 422 -V dated 24.11.2015 (shall be enforced from 01.01.2016); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 4-1. Requirements for the Fund's management

1. The Fund's management personnel are:

- 1) the head and members of management body of the Fund;
- 2) the head and members of the Fund's executive body;
- 3) chief accountant of the Fund.

At least one of the members of the executive body of the Fund must have supporting documents confirming that they have attended at least fifty percent of the courses of the minimum mandatory actuary training program established by the regulatory legal act of the authorized body.

1-1. For this Article, a candidate for the position of an executive officer of the Fund means an individual who intends to hold the position of an executive officer of the Fund, or a person elected to the position of the head or member of the management body of the Fund, who is an independent director.

2. The following person may not hold (may not be appointed or elected to) the position of an executive employee of the Fund:

1) without a higher education qualification;

2) who does not have a work experience of at least five years, including at least three years in a managerial position:

in international financial organizations, the list of which is established by the authorized body;

and (or) in the field of regulation, control and supervision of the financial market and financial organizations;

and (or) in the provision of financial services;

and (or) audit of financial organizations;

and (or) in the field of regulation of services for the audit of financial organizations;

and (or) in the field of software development used to automate the activities of financial organizations;

and (or) in foreign legal entities operating in the areas listed in this subparagraph;

3) not having an impeccable business reputation.

Spotless business record is evidence of professionalism and integrity, including absence of committed unlawful acts (omissions) that led to insolvency resulting in compulsory liquidation of a financial institution or to classification of a bank as insolvent, absence of unexpunged or outstanding criminal record, including absence of legally binding court order imposing criminal penalty in the form of deprivation of the right to hold an executive position in a financial institution, banking and/or insurance holding company, and to be a major participant (major shareholder) in a financial institution for life, also absence of relationships with third parties (control and influence of third parties) whose actions contributed to legalization (laundering) of proceeds from crime, financing of terrorism and financing of the proliferation of weapons of mass destruction, based on information from the financial monitoring authority;

4) whose consent to the appointment (election) to the position of an executive employee was revoked and (or) who was suspended from performing official duties in this and (or) in another financial organization, banking, insurance holding, the branch of a bank - a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) company - a non-resident of the Republic of Kazakhstan, a branch of an insurance broker - a non-resident of the Republic of Kazakhstan.

The specified requirement shall be applied during the last twelve consecutive months after the decision by the authorized body to withdraw consent to the appointment (election) to the position of an executive employee;

5) committed a corruption offence or subjected to an administrative penalty for committing a corruption offence within three years before the date of applying for approval for a managerial position.

When appointing (elected) executives, the Fund shall independently check them for compliance with the requirements of this Article, including taking into account the information posted on the Internet resource of the authorized body.

Assessment of business reputation for the presence or absence of an impeccable business reputation concerning executives and candidates for the positions of executives of the Fund shall be carried out by the authorized body, including using a reasoned judgment.

2-1. For the purposes of subparagraph 2) of paragraph 2 of this Article, a managerial position shall be understood to mean a position:

1) an executive employee, a head exercising coordination and/or control over the activities of a structural subdivision (structural subdivisions), a head or deputy head of a structural subdivision, as well as a separate subdivision of a financial organization, a branch of an insurance (reinsurance) organization that is a non-resident of the Republic of Kazakhstan, a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan, or a branch of a bank that is a non-resident of the Republic of Kazakhstan;

2) the chief executive officer and his (her) deputy, the head or deputy head of a structural subdivision of a state body in the field of financial services regulation and/or in the field of regulation and state control over the audit activities of financial organizations;

3) the chief executive officer and his (her) deputy, the head or deputy head of a structural subdivision, as well as a separate subdivision in:

international financial organizations specified in the second paragraph of subparagraph 2) of part one of paragraph 2 of this Article;

organizations conducting audits of financial organizations;

organizations operating in the area specified in paragraph seven of subparagraph 2) of part one of paragraph 2 of this article;

foreign legal entities specified in paragraph eight of subparagraph 2) of part one of paragraph 2 of this Article.

3. A candidate for the position of an executive officer shall not be entitled to perform the relevant functions without the consent of the authorized body.

The prohibition established by part one of this paragraph does not apply to a person elected to the position of a head or a member of a management body, who is an independent director, who has the right to perform the relevant functions without the consent of the authorized body for no more than sixty calendar days from the date of his/her election.

The authorized body shall consider the documents submitted for issuing consent to the appointment (election) of the Fund's executives within thirty working days from the date of submission of the full package of documents in accordance with the requirements of the regulatory legal act of the authorized body.

For the issuance of consent to the appointment (election) of an executive officer, a fee shall be charged, the amount and procedure for payment of which are determined by the tax legislation of the Republic of Kazakhstan.

Documents for obtaining consent to the appointment (election) of an executive officer of the Fund may be provided by the Fund or a candidate for the position of an executive officer.

The consent of the authorized body to the appointment (election) of an executive officer of the Fund may be issued for one or more positions, provided that the candidate for the position of an executive officer meets the requirements for these positions.

A candidate for the position of the head or member of the management body, who is an independent director, may be agreed upon both before his/her election to the specified position, and after.

Upon approval of the head or member of the management body who is an independent director, after his/her election, documents for approval must be submitted to the authorized body no later than sixty calendar days from the date of his/her election.

After the expiration of the period specified in this paragraph, and in case of failure to submit a complete package of documents for approval to the authorized body or refusal by the authorized body to approve, the Fund shall be obliged to take measures to terminate the powers of this managerial employee.

The consent of the authorized body to the appointment (election) of an executive employee of the Fund shall terminate in the following cases:

1) non-appointment (non-election) of an agreed candidate for the position of an executive employee in the Fund within twelve months from the date of obtaining the consent or dismissal from the position (termination of powers) of an executive employee;

2) withdrawal by the authorized body of consent to the appointment (election) to the position of an executive employee of the Fund.

It shall be prohibited for a person who has not obtained the consent of the authorized body for appointment (election) to the position of an executive employee of the Fund to perform the duties of an executive employee or to temporarily substitute for an absent executive employee of the Fund, except in cases where the duties of the head of the executive body of the Fund are assigned to a member of the executive body of the Fund, or the duties of the chief accountant of the Fund are assigned to the deputy chief accountant of the Fund for a period not exceeding sixty calendar days.

The assignment of duties (temporary substitution) of the head of the executive body or the chief accountant of the Fund to persons specified in paragraph eleven of this clause, due to the absence of a candidate approved by the authorized body, shall not be permitted for a cumulative period exceeding one hundred and eighty calendar days within twelve consecutive months.

When the authorized body uses a reasoned judgment concerning a candidate for the position of an executive in accordance with Article 13-5 of the Law of the Republic of Kazakhstan "On State Regulation, Control and Supervision of the Financial Market and

Financial Organizations", the authorized body sends the person who submitted the documents for approval of the candidate for the position executive officer, notification of the formation of a motivated judgment concerning a candidate for the position of an executive officer.

The authorized body shall suspend the period for consideration of documents submitted to obtain consent to the appointment (election) of candidates for the positions of the Fund's executives when the authorized body forms a reasoned judgment concerning these candidates for the positions of executives. This period shall be suspended from the date of sending the draft reasoned judgment to the person who submitted the documents for approval of the candidate for the position of an executive until the date the decision of the authorized body is made using the reasoned judgment.

4. The authorized body shall refuse to issue consent for the appointment (election) of the Fund's management on the following reasons:

1) non-compliance of candidates for positions of executives with the requirements established by this Article, subparagraph 20) of Article 1, paragraph 4 of Article 54 and paragraph 2 of Article 59 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", Article 9 of the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" or a regulatory legal act of an authorized body;

2) negative test result.

Negative test results are:

the result of testing a candidate for the position of an executive is less than seventy percent of correct answers;

violation by a candidate for the position of an executive employee of the testing procedure determined by the authorized body;

non-appearance for testing at the appointed time during the period of approval of the candidate for the position of an executive by the authorized body;

3) failure to eliminate the comments of the authorized body or submission of documents modified taking into account the comments of the authorized body after the expiration of the period established by the regulatory legal act of the authorized body;

3-1) violation of the procedure established by the legislation of the Republic of Kazakhstan for the election (appointment) of a candidate for the position of head or member of the management body, who is an independent director;

4) submission of documents after the expiration of the period established by part eight of paragraph 3 of this Article, during which a candidate for the position of head or member of the management body, who is an independent director, occupies his position without the consent of the authorized body;

5) is excluded by Law of the Republic of Kazakhstan № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019);

6) is excluded by Law of the Republic of Kazakhstan № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019).

7) the authorized body has information (facts) that the candidate was a party to a transaction recognized as committed for the purpose of manipulating the securities market and (or) causing damage to a third party (third parties).

This requirement shall be applied within one year from the date of the earliest of the listed events:

recognition by the authorized body of a transaction concluded on organized and (or) unorganized securities markets, as committed for the purpose of manipulation;

receipt of facts confirming the infliction of damage to a third party (third parties) as a result of the transaction by the authorized body;

8) availability of information from the authorized body that the candidate was an employee of a financial organization, a branch of a non-resident bank of the Republic of Kazakhstan, in respect of which the authorized body applied supervisory response measures and (or) on which an administrative penalty was imposed for an administrative offense provided for in Article 259 of the Code of the Republic of Kazakhstan on Administrative Offenses, for concluding a transaction recognized as made for the purpose of manipulating the securities market, and (or) by an employee of a financial organization, a branch of a non-resident bank of the Republic of Kazakhstan, whose actions caused damage to a financial organization, a branch of a non-resident bank of the Republic Kazakhstan and (or) a third party (third parties) participating in the transaction.

This requirement shall be applied within one year from the date of occurrence of the earliest of the listed events:

recognition by the authorized body of a transaction concluded on an organized and (or) unorganized securities market as made for the purpose of manipulation;

receipt by the authorized body of facts confirming the damage caused as a result of this transaction to a financial organization, a branch of a non-resident bank of the Republic of Kazakhstan and (or) a third party (third parties).

For the purposes of this subparagraph, an employee of a financial organization, a branch of a non-resident bank of the Republic of Kazakhstan means an executive employee or a person who performed his/her duties, and (or) a stock exchange trader, whose competence included making decisions on the issues that entailed the above-mentioned violations.

5. The Fund shall be obliged to notify the authorized body within five working days from the date of the decision of the relevant body of the Fund about all changes that have occurred in the composition of senior employees, including their appointment (election), transfer to another position, termination of the employment contract and (or) termination of powers, on bringing an executive to administrative responsibility for committing a corruption offence, as well as on changes in the last name, first name, patronymic (if it is indicated in an identity document) of an executive with copies of supporting documents attached.

If a leading employee is held criminally liable, the Fund shall notify the authorized body within five working days from the date when this information became known to the Fund.

6. Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

7. The authorized body shall revoke the issued consent to the election (appointment) to the position of an executive employee of the Fund on the following grounds:

1) identification of inaccurate information on the basis of which the consent was given;
2) the application of the supervisory response measure specified in paragraph 2 of Article 3-1 of this Law by the authorized body;

2-1) non-compliance of executive employees with the requirements established by this Article, subparagraph 20) of Article 1, paragraph 4 of Article 54 and paragraph 2 of Article 59 of the Law of the Republic of Kazakhstan "On Joint Stock Companies", Article 9 of the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting" or a regulatory legal act of an authorized body;

3) the existence of an unexpunged or unpaid conviction;

4) is excluded by Law of the Republic of Kazakhstan № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019).

The withdrawal by the authorized body of consent to the appointment (election) of the Fund's executive officer shall be the basis for the withdrawal of the previously issued (issued) consent (s) to this executive employee in other financial organizations, banking, and insurance holding companies, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan, branches of insurance brokers-non-residents of the Republic of Kazakhstan.

The Fund shall be obliged to terminate the employment contract with an executive employee or, in the absence of an employment contract, take measures to terminate the powers of an executive employee in the following cases:

1) withdrawal by the authorized body of consent to the appointment (election) to the position of an executive;

2) violation of the procedure for election (appointment) of a candidate for the position of an executive employee established by the legislation of the Republic of Kazakhstan.

Footnote. Chapter 2 is supplemented by Article 4-1 in accordance with Law of the Republic of Kazakhstan № 422-V dated 24.11.2015 (shall be enforced from 01.01.2016); as amended by Law of the Republic of Kazakhstan № 122-VI dated 25.12.2017 (shall be enforced since 01.01.2018); № 168-VI as of 02.07.2018 (see Art. 2 for the enforcement procedure); dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.06.2025 № 205-VIII (for the procedure of enactment see Art. 2); dated 19.09.2025 № 219-VIII (effective sixty calendar days after the date of its first official publication).

Chapter 3. Creation of the Fund and its activity

Article 5. The procedure for the establishment of the Fund and its bodies

1. The Fund is a non-profit organization in the form of a joint-stock company and operates on the basis of this Law and constituent documents.

The Fund is the only organization in the territory of the Republic of Kazakhstan that guarantees insurance payments for guaranteed types of insurance.

2. A shareholder of the Fund is a participating insurance organization with a license for carrying out activities on guaranteed types of insurance. The National Bank of the Republic of Kazakhstan may also be a shareholder of the Fund.

The competence of the general meeting of shareholders is determined in accordance with the legislation of the Republic of Kazakhstan on joint-stock companies and non-profit organizations with account of the features provided for by this Law.

3. The Fund's shares are paid for exclusively in cash.

The number of shares of each shareholder of the Fund, except for the National Bank of the Republic of Kazakhstan, is at least one thousand shares and not more than ten percent of the total number of allotted shares of the Fund.

3-1. Voting at the general meeting of shareholders of the Fund shall be carried out on the principle of granting one vote to each person entitled to vote at the general meeting of shareholders.

3-2. Branches of insurance organizations - non-residents of the Republic of Kazakhstan, carrying out insurance activities by classes (types) of insurance that are subject to guarantee in accordance with this Law, shall conclude a participation agreement with the Fund without acquiring shares or a stake in the authorized capital of the Fund.

4. The composition of the Board of Directors of the Fund must meet the following requirements:

1) the number of independent directors of the Fund must be at least thirty percent of the total number of members of the Board of Directors of the Fund;

2) the Board of Directors of the Fund must include at least two representatives of the authorized body;

3) members of the Board of Directors of the Fund, who are not independent directors and representatives of the authorized body, must be elected from among the shareholders of the Fund;

4) there must be an equal number of representatives of insurance companies-participants operating in the "life insurance" and "general insurance" sectors.

4-1. The Fund shall maintain accounting records and prepare financial statements separately for:

1) funds of reserves for guaranteeing insurance payments, funds of the reserve for compensation for harm;

2) assets of the Fund.

The procedure for maintaining internal accounting of the Fund's assets, funds of reserves for guaranteeing insurance payments in the "general insurance" and "life insurance" sectors, and funds of the reserve for damages shall be established by the Fund in accordance with an internal document approved by the Board of Directors of the Fund in agreement with the authorized body..

5. The Fund shall open separate bank accounts in second-tier banks of the Republic of Kazakhstan to account for:

- funds of the reserve for guaranteeing insurance payments in the "general insurance" sector ;
- funds of the reserve for guaranteeing insurance payments in the "life insurance" sector;
- means of the reserve of compensation for harm;
- assets of the Fund.

Accounting and storage of funds of the reserve for guaranteeing insurance payments in the "general insurance" sector, the reserve for guaranteeing insurance payments in the "life insurance" sector and the reserve for damages shall be carried out by the custodian in accordance with the custodial agreement.

The Fund shall be prohibited from using the funds of the reserves for guaranteeing insurance payments, the reserve for compensation for harm for purposes not provided for by this Law.

The Custodian shall exercise control over the use of the funds of the reserve for guaranteeing insurance payments in the "general insurance" sector, the reserve for guaranteeing insurance payments in the "life insurance" sector and the reserve for indemnification in accordance with the requirements of this Law in the manner determined by the regulatory legal act of the authorized body.

6. The Fund must have a risk management and internal control system that shall determine:

- 1) powers and functional responsibilities for risk management and internal control of the Board of Directors, Management Board, and structural divisions of the Fund;
- 2) internal policies and procedures for risk management and internal control;
- 3) limits on the allowable size of risks;
- 4) internal procedures for reporting on risk management and internal control to the Fund's bodies;
- 5) internal criteria for evaluating the effectiveness of the risk management system.

The requirements for the risk management and internal control system in the Fund shall be established by the regulatory legal act of the authorized body.

7. The Fund must have an internal audit service that exercises control over the financial and economic activities of the Fund.

Footnote. Article 5 as amended by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 12.07.2022 № 138-VII (refer to Article 2 for the order of entry into force).

Article 6. Competence of the board of directors of the Fund

Within the limits, established by the charter of the Fund, the following issues shall be referred to the competence of the Fund's board of directors:

1) establishment of the rates of compulsory and additional contributions, as well as conditional obligations, provided by this Law, insurance organizations-participants for each calendar year, amount of emergency contributions, subject to payment by insurance organizations-participants to the Fund;

1-1) is excluded by Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009;

2) making a decision to request the authorized body to arrange an inspection of a participating insurance organization and (or) apply supervisory response measures and sanctions to it, which are provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities, including suspension or revocation of a license to carry out insurance activities;

3) making a decision to pay compensation to creditors; 4) selection of an agent-bank;

4-1) establishment of limited amounts of procured loans and borrowings by the Fund;

4-2) formation in the Fund of a risk management and internal control system and control over the functioning of such a system;

4-3) annual determination of the Fund's commission rate;

4-4) formation of an internal audit service in the Fund;

5) other powers in accordance with this Law and charter of the Fund.

Footnote. Article 6 as amended by Laws of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); № 222 dated 12.01.2007 (shall be enforced upon expiry of 6 months from the date of its official publication); № 244 dated 07.05.2007; № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); № № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 6-1. Advisory Committee

1. To consider the most important issues and make recommendations to the board of directors, the Fund should establish an advisory committee.

The main task of the Advisory Committee shall be to represent the interests of participating insurance organizations by preparing and issuing collective recommendations to the Board of Directors of the Fund on issues submitted (introduced) for consideration by the

Advisory Committee by the General Meeting of Shareholders of the Fund, the Board of Directors of the Fund, committees of the Board of Directors of the Fund.

2. The Advisory Committee shall act based on its regulation, approved by the Board of Directors of the Fund in agreement with the authorized body.

3. The regulation on the advisory committee should determine:

- 1) the main task and competence of the advisory committee;
- 2) the procedure for determining the members of the advisory committee, their term of office;
- 3) functions, duties, rights and responsibilities of members of the advisory committee;
- 4) the procedure for the work of the advisory committee, including the procedure for convening and holding meetings of the advisory committee, absentee voting of members of the advisory committee;
- 5) the procedure for determining the secretary of the advisory committee and his/her functions;
- 6) other provisions that do not contradict this Law.

4. Decisions of the advisory committee shall be made in writing and advisory in nature.

The Advisory Committee shall have the right to make decisions with any number of its members participating in the meeting of the committee or absentee voting of its members.

5. The advisory committee shall consist of:

- 1) one representative from each insurance company-participant, except for the insurance company-participant, which has suspended or terminated all licenses previously issued to it for the right to carry out insurance activities, reinsurance activities;
- 2) an employee of the Fund, determined by the Board of Directors of the Fund.

The chairman of the meeting of the advisory committee shall be elected at each meeting of the advisory committee by a majority vote of its members participating in the meeting.

6. Each member of the advisory committee shall have one vote. In the case of equality of votes, the vote of none of the members of the advisory committee, including the chairman of the meeting of the advisory committee, shall not be decisive.

7. Remuneration to members of the advisory committee for participation in its work shall not be accrued or paid.

8. The recommendation of the advisory committee shall be considered accepted if at least half of the total number of members of the advisory committee participating in the meeting of the advisory committee or absentee voting of its members voted for its adoption.

9. Representatives of the authorized body shall have the right to attend meetings of the advisory committee without the right to participate in voting.

Footnote. Chapter 3 is supplemented with Article 6-1 in accordance with Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated

12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 6-2. Activities of the investment committee. Requirements for members of the investment committee

1. To invest the Fund's assets, funds of the reserves for guaranteeing insurance payments and the reserve for damages, one or more investment committees must be established in the Fund.

2. Except for cases established by the laws of the Republic of Kazakhstan, investment decisions regarding the Fund's assets, the funds of the reserves for guaranteeing insurance payments and the funds of the reserve for damages shall be carried out exclusively by the investment committee (investment committees), which (each of which) should not include less than three people.

Other bodies and (or) executives of the Fund shall not be entitled to make decisions referred by this Law to the competence of the investment committee (investment committees) of the Fund.

3. At least half of the members of the investment committee that makes investment decisions regarding the Fund's assets must be the Fund's executives who have received the consent of the authorized body for their appointment (election) as executives.

At least half of the members of the investment committee that makes investment decisions regarding the funds of the reserves for guaranteeing insurance payments and (or) the funds of the reserve for compensation for harm must be executive employees of the Fund and (or) participating insurance organizations who have received the consent of the authorized body for their appointment (election) executives, respectively, of the Fund and (or) insurance companies-participants.

The investment committee (investment committees) of the Fund includes a member of the Fund's executive body and the head of the Fund's division responsible for risk management.

4. Members of the investment committee (investment committees) shall be elected by the Board of Directors of the Fund.

5. Meetings of the investment committee shall be held subject to the participation of at least half of the total number of members of the investment committee, but at least three members of the investment committee.

Decisions of the investment committee shall be made by a majority of votes of its members participating in the meeting and are made in writing.

6. Members of the investment committee (investment committees) shall not be entitled to transfer the execution of their functions to other persons in terms of making investment decisions.

7. Members of the investment committee (investment committees) shall be obliged to bring to the attention of the executive body of the Fund information about the existence of circumstances due to which their interests and the interests of the Fund do not coincide.

In the event of the occurrence of the circumstances specified in part one of this paragraph, members of the investment committee (investment committees) shall not be entitled to participate in the meeting of the investment committee (investment committees) and in any way influence the decisions made.

8. Based on the results of the meetings of the investment committee, minutes shall be drawn up, which shall be signed by the chairman and all members of the investment committee who participated in its meeting and contain the rationale for the decisions taken.

Members of the investment committee shall have the right to express their dissenting opinion, which shall be attached to the minutes of the meeting of the investment committee and shall be part of it.

9. Investment decisions made by the investment committee (investment committees) of the Fund shall be subject to execution by the executive body of the Fund in strict accordance with the decisions made.

10. When the investment committee makes decisions on making transactions at the expense of the Fund's assets and (or) the funds of the reserve for guaranteeing insurance payments, and (or) the funds of the reserve for damages, providing for the misuse of these assets and (or) funds, violation of the requirements of the legislation of the Republic of Kazakhstan, investment declaration, the authorized body shall have the right to remove the person (persons) who voted for the adoption of such decisions from the duties of a member of the investment committee.

Notification of the authorized body on the removal of a person or persons from the duties of a member of the investment committee is brought to the attention of the executive body of the Fund, which, no later than the day following the day of receipt of such a notification, shall be obliged to bring it to the attention of the persons suspended by the authorized body from the duties of a member of the investment committee.

11. From the moment of bringing to the attention of the executive body of the Fund the notification of the authorized body on the removal of a person or persons from performing the duties of a member of the investment committee, this person or persons shall not be entitled to participate in the work of the investment committee and may not be elected to its composition within three years after being accepted by the authorized authority to decide on such removal.

12. The procedure for the formation and work of the investment committee, its main tasks and competence shall be established by the internal document of the Fund, approved by the Board of Directors of the Fund in agreement with the authorized body.

Footnote. Chapter 3 is supplemented by Article 6-2 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 7. Guarantees of the Fund

1. From the day the authorized body decides to revoke the license of the participating insurance organization and appoint a temporary administration, the Fund shall assume obligations for:

1) payment for the insurance portfolio of the liquidated insurance (reinsurance) company, transferred to the participating insurance company in the manner and on the terms, which are provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities;

2) making guarantee payments to creditors in respect of insured events that have occurred under insurance contracts under which the liquidated insurance (reinsurance) company unlawfully refused (in whole or in part) or did not pay the insurance payment in full, before the date of transfer (acceptance) of the insurance portfolio of the liquidated insurance (reinsurance) company organizations in the manner prescribed by the Law of the Republic of Kazakhstan "On Insurance Activities".

2. Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

2-1. The types (classes) of insurance for which mandatory participation in the Fund is provided for by this Law include:

1) all types of compulsory insurance, except for types of insurance where the requirement for compulsory insurance, types and minimum insurance conditions (including the object of insurance, insurance risks, and minimum insurance amounts) are established by the laws of the Republic of Kazakhstan, and other insurance conditions and procedures are determined by agreement between the parties (imputed insurance);

2) all types of savings insurances in the "life insurance" sector.

2-2. As part of guaranteeing annuity insurance, the Fund provides:

continuity and timeliness of insurance payments under the current annuity insurance contracts concluded by the liquidated insurance (reinsurance) company, from the date of appointment by the authorized body of the temporary administration based on its decision to revoke the license of the insurance (reinsurance) company until the transfer of the insurance portfolio to another insurance (reinsurance) company) an organization licensed in the "life insurance" sector;

payment of an insurance premium under an annuity insurance contract concluded in connection with the establishment or extension (re-examination) of the degree of loss of the employee's professional ability to work, upon the termination of the activity (liquidation) of a legal entity (employer).

The procedure and conditions for the implementation by the Fund of the guarantee payments specified in part one of this paragraph and other payments are determined by the regulatory legal act of the authorized body.

3. The Fund shall assume the obligations on carrying out of payments on compensation for harm to life, health of injured person and (or) expenses for burial in cases, provided by subparagraph 2) of paragraph 1 of Article 8 of this Law.

4. The Fund shall keep records of insurance contracts subject to the Fund's guarantees to:

- 1) implementation by the Fund of the functions provided for by this Law;
- 2) providing creditors with the opportunity to check the validity of the Fund's guarantees concerning their insurance contracts.

Footnote. Article 7 is in the wording of Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); as amended by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (refer to Article 2 for the order of entry into force); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 8. Main objectives and functions of the Fund

1. Main objectives of the Fund are:

- 1) protection of the rights and legitimate interests of creditors;
- 2) ensuring of protection of rights and legal interests of persons, the life, health of which are inflicted by harm by other person in the result of traffic accident, in cases, provided by this Law.
- 3) ensuring the functioning and development of the insurance payments guarantee system in the manner determined by this Law and regulatory legal acts of the authorized body.

2. For performance of main objectives, the Funs shall carry out the following functions:

- 1) carrying out of guarantee payments in accordance with this Law;
 - 1-1) payment for the insurance portfolio of the liquidated insurance (reinsurance) company, transferred to the participating insurance company in the manner and on the terms, which shall be provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities;
 - 2) attracting compulsory and emergency contributions of insurance organizations-participants;
 - 3) attraction of initial one-time, additional contributions of insurance organizations-participants;
- 4) carrying out of payments on compensation for harm to life, health of injured person and (or) expenses for burial in accordance with this Law;
- 5) investment activity in the manner, determined by the legislation of the Republic of Kazakhstan;
- 6) participation in the temporary administration in case of liquidation of the insurance (reinsurance) company.

2-1. Except for functions, specified in paragraph 2 of this Article, The Fund carries out the development and provision of specialized software used to automate the activities of insurance (reinsurance) organizations, conduct training and improve the qualifications of specialists in the field of insurance (reinsurance).

3. For the purpose of ensuring qualitative and well-timed performance of own functions, the Fund shall have the right to receive information within its competence from individuals and legal entities, as well as from state bodies, including information that is the insurance secrecy.

Received details shall not be subject to the following disclosure.

4. Workers of the Fund shall bear responsibility for disclosing the details, received in the course of carrying out their own functions by them, that are service, commercial secret, insurance secrecy or other secrets protected by the Law, in accordance with the Laws of the Republic of Kazakhstan.

Footnote. Article 8 as amended by Laws of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); № 244 dated 07.05.2007; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 8-1. Fund commission

1. The Fund shall collect a commission fee for investment activities in respect of the funds of the reserves for guaranteeing insurance payments and the reserve for damages.

2. The Fund's commission rate shall be set within the limits not higher than:

1) 7.5 percent of the total investment income received for the financial year from investing the funds of the reserves for guaranteeing insurance payments and the reserve for damages;

2) 0.025 percent of the total contributions made during the financial year to the reserves for guaranteeing insurance payments in the "general insurance" and "life insurance" sectors and the reserve for damages.

3. The Fund's commission rate shall be annually determined by the Board of Directors of the Fund.

4. The Fund's commission rate may change no more than once a year.

5. The rules for collecting the Fund's commission shall be approved by the regulatory legal act of the authorized body.

Footnote. Chapter 3 is supplemented by Article 8-1 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Chapter 4. Procedure for participation in the Fund

Article 9. The procedure for participation in the Fund and the conditions for the acquisition of the Fund's shares by insurance organizations

1. The applicant shall be obliged to conclude a contract of participation in the procedure provided for by this Law to obtain a license for the right to carry out insurance activities for the types of insurance that are guaranteed.

2. To conclude a participation contract, purchase of shares of the Fund, the applicant shall submit to the Fund copies of the following documents:

- 1) certificates of state registration (re-registration);
- 2) certificates of accounting registration (for a branch of an insurance organization-non-resident of the Republic of Kazakhstan);
- 3) the charter simultaneously with the original for verification or a notarized copy of the charter;
- 4) regulations on a branch of an insurance organization-non-resident of the Republic of Kazakhstan simultaneously with the original for verification or a notarized copy of the regulation on a branch of an insurance organization-non-resident of the Republic of Kazakhstan.

3. In the event of termination of insurance activities for the guaranteed types of insurance and termination of the insurance contracts by the insurance organization-participant, the insurance organization-participant shall be obliged to carry out the alienation of its shares by selling them to the shareholders of the Fund. In case of a shareholder's refusal to purchase shares of the Fund, the Fund shall be obliged to redeem shares at a price determined in accordance with the procedure for determining the value of shares.

4. The form, content and terms of the contract of participation must comply with the requirements of the Civil Code of the Republic of Kazakhstan and this Law.

Footnote. Article 9 in the new wording of Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020).

Article 10. Compulsory conditions of participant agreement

Participant agreement shall contain:

- 1) full name of parties, details on their location area and banking details;
- 2) specification on the subject of agreement, conforming to this Law;
- 3) rights and obligations of parties, conforming to this Law;
- 4) procedure for payment of compulsory and emergency contributions, as well as formation of conditional obligations;
- 5) conditions and procedure for determination of amount and carrying out of guarantee payment to a creditor;

6) is excluded by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication).

7) is excluded by Law of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement);

8) is excluded by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication).

9) conditions of termination of the participant agreement;

10) conditions on responsibility of parties for violation of the participant agreement;

11) is excluded by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement).

In existence of a license for carrying out of compulsory insurance of civil responsibility of the vehicle owners belonged to insurance organization-participant, the following conditions shall be subject to compulsory inclusion in participant agreement:

1) the procedure for paying initial one-time, additional contributions;

2) responsibility of parties.

Footnote. Article 10 as amended by Laws of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); № 244 dated 07.05.2007; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 11. Termination of participant agreement

Participant agreement shall be terminated:

1) on general basis, provided by civil legislation of the Republic of Kazakhstan;

2) in case of terminating the activity by insurance organization-participant of the Fund on guaranteed types of insurance and termination of validity of insurance agreements on such types of insurance.

Footnote. Article 11 as amended by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement).

Article 12. Compulsory and emergency contributions, procedure for their payment. Borrowings of the Fund

1. Insurance organization-participant shall be obliged to pay compulsory and emergency contributions in accordance with the participant agreement.

Rate of compulsory contributions shall be determined by the Fund of an annual basis.

Method of calculating the rate of compulsory contributions, procedure and terms of their payment shall be established by the regulatory legal acts of the authorized body.

2. Under accumulative insurance contracts within the framework of guaranteed types (classes) of insurance specified in paragraph 2-1 of Article 7 of this Law, the number of mandatory contributions shall be calculated based on the volume of formed insurance reserves and the rate of mandatory contributions.

The number of mandatory contributions for other guaranteed types of insurance shall be calculated based on the volume of insurance premiums accrued by the insurance company and the rate of mandatory contributions.

2-1. In case of violating the prudential regulations and other regulations and limits compulsory for compliance, established by the legislation of the Republic of Kazakhstan by insurance organization-participant, the rate of compulsory contribution for such insurance organization shall be subject to increase in the manner, provided by the regulatory legal act of the authorized body.

2-2. Reserve of guarantee of insurance payments shall be used for covering:

1) the obligations on guarantees of the Fund, provided by Article 7 of this Law;

2) expenses, linked with carrying out the functions by the Fund, provided by subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, as well as payments on compensation for harm to life, health of injured person and (or) expenses for burial in the cases, provided by this Law.

3. In case of insufficiency of the reserve for guaranteeing insurance payments for the implementation of the functions provided for in subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, the Fund shall attract emergency contributions from insurance organizations-participants within their conditional obligations.

In case of insufficiency of the reserve for guaranteeing insurance payments and emergency contributions of insurance organizations-participants for the implementation of the functions provided for in subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, the Fund's capital shall be used in the manner determined by the Board of Directors of the Fund in agreement with the authorized body.

In case of insufficiency of the reserve for compensation for harm to make payments for compensation for harm to life, the health of the victim and (or) burial expenses provided for by this Law, the Fund shall have the right to use the funds of the reserve for guaranteeing insurance payments by the end of the current quarter in the amount established by the Board of Directors of the Fund. To restore the reserve for guaranteeing insurance payments, the Fund shall attract extraordinary contributions from insurance organizations-participants in the amount of the used amount of the reserve for guaranteeing insurance payments.

It shall be allowed to use the funds of the reserve for guaranteeing insurance payments in the "general insurance" sector to fulfil obligations in the "life insurance" sector and, conversely, the use of the funds of the reserve for guaranteeing insurance payments in the "life insurance" sector to fulfil obligations in the "general insurance" sector in the manner determined by the Board of Directors of the Fund, taking into account the replenishment of

the used amount, including by attracting extraordinary contributions from insurance organizations participating in the "general insurance" or "life insurance" sector, depending on which insurance industry the guarantee is provided for.

4. The number of extraordinary contributions of the participating insurance company under accumulative insurance contracts within the guaranteed types (classes) of insurance specified in paragraph 2-1 of Article 7 of this Law shall be determined in proportion to the share of insurance reserves formed by the participating insurance organization in the total amount of insurance reserves formed by all insurance organizations participating in the Fund for these types of insurance as of the last reporting date.

The amount of emergency contributions of the participating insurance organization for other guaranteed types of insurance shall be is determined in proportion to the share of insurance premiums under insurance contracts concluded by it in the total amount of insurance premiums of all insurance organizations - participants of the Fund for these types of insurance in the current reporting period.

5. In case of insufficiency of the reserve for guaranteeing insurance payments, emergency contributions and equity of the Fund for the implementation of the functions provided for in subparagraphs 1) and 1-1) of paragraph 2 of Article 8 of this Law, the National Bank of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and other organizations shall have the right to provide the Fund with a loan, which shall be subject to repayment at the expense of extraordinary contributions of insurance organizations-participants.

6. Suspension of the validity of a license for the right to carry out the insurance activity shall not release insurance organization-participant from payment of compulsory and emergency contributions.

7. From the date of deprivation of the insurance organization-participant (except for the branch of the insurance organization-non-resident of the Republic of Kazakhstan) of the license for the right to carry out insurance activities, the obligations of the insurance organization-participant to pay mandatory and extraordinary contributions shall be suspended until the court decision on compulsory liquidation of the insurance organization-participant comes into force.

Obligations of an insurance organization-participant (with the exception of a branch of an insurance organization-non-resident of the Republic of Kazakhstan) to pay mandatory and extraordinary contributions shall be terminated from the date of entry into force of a court decision on its forced liquidation.

Obligations of a branch of an insurance organization - non-resident of the Republic of Kazakhstan to pay mandatory and extraordinary contributions shall be terminated from the day the authorized body makes a decision to deprive the branch of an insurance organization - non-resident of the Republic of Kazakhstan of a license for the right to carry out insurance activities.

Mandatory and extraordinary contributions paid by insurance organizations-participants in accordance with this Law shall not be refunded.

Footnote. Article 12 as amended by Laws of the Republic of Kazakhstan № 244 dated 07.05.2007 (shall be enforced from 01.10.2008); № 234-IV dated 30.12.2009; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 30-V dated 05.07.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 13. Formation of contingent liabilities

1. A participating insurance organization is obliged to form and keep records of contingent liabilities.

The number of contingent liabilities by an insurance company that is a member of the Fund under accumulative insurance contracts within the framework of guaranteed types (classes) of insurance specified in paragraph 2-1 of Article 7 of this Law shall be calculated based on the volume of formed insurance reserves and the rate of contingent liabilities.

The size of contingent liabilities for other guaranteed types of insurance is calculated by an insurance organization participating in the Fund on the basis of the volume of its insurance premiums for guaranteed types of insurance and the rate of contingent liabilities.

2. The method of calculating the rate of contingent liabilities, the procedure for their formation and accounting shall be established by the regulatory legal acts of the authorized body.

Footnote. Article 13 as amended by Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 14. Improper fulfillment of obligations on payment of compulsory and emergency contributions

1. The Fund reconciles the amount of paid mandatory and (or) emergency contributions with the participating insurance company in accordance with the internal documents of the Fund.

In case of non-payment of mandatory and (or) extraordinary contributions in full, the Fund, within seven working days from the date of payment, shall be obliged to notify the authorized body of the improper performance by the participating insurance company of its obligations under this Law.

2. Upon receipt of a notification from the Fund regarding improper fulfillment by a participating insurance organization of its obligations to pay mandatory and extraordinary contributions, the authorized body shall apply supervisory response measures to such insurance organization as provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

Footnote. Article 14 as amended by Law of the Republic of Kazakhstan № 15-V dated 27.04.2012 (shall be enforced upon expiry of ten calendar days after its first official publication); № 168-VI as of 02.07.2018 (shall be enforced from 01.01.2019); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Chapter 5. Guarantee payments and other protective measures

Article 15. Grounds and procedure for making a guarantee payment for compulsory types of insurance and life insurance contracts concluded within the framework of the state educational accumulation system

Footnote. The heading of Article 15 as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

1. The right to claim against the Fund for the implementation of the guarantee payment arises from the creditor from the day the authorized body decides to revoke the license of the participating insurance organization and appoint a temporary administration.

The following creditors shall be entitled to receive a guarantee payment:

1) for all insured events in the period before the adoption by the authorized body of a decision to revoke the license of the participating insurance company and appoint a temporary administration under insurance contracts, under which the liquidated insurance company unlawfully refused (in whole or in part) or did not pay the insurance payment in full;

2) for insured events that occurred in the period from the day the authorized body decided to revoke the license of the participating insurance company and appoint a temporary administration until the date of transfer (acceptance) of the insurance portfolio of the liquidated insurance (reinsurance) company in the manner prescribed by the Law of the Republic of Kazakhstan "On insurance activities";

3) for insured events, the occurrence of which was declared after the liquidation of the insurance (reinsurance) company, and the obligations for which were not transferred as part of the insurance portfolio of the liquidated insurance (reinsurance) company.

2. If the creditor has the right to claim against the Fund on the grounds provided for in subparagraphs 1) and 2) of part two of paragraph 1 of this Article, the creditor shall have the right, within the period from the day the authorized body decides to revoke the license of the participating insurance organization and appoint a temporary administration, until the expiration of two months from the date of entry into force of the court decision on the

compulsory liquidation of the participating insurance company, apply to the Fund with a written application for the implementation of the guarantee payment.

In case of transfer (acceptance) of the insurance portfolio of the liquidated insurance (reinsurance) company in the manner prescribed by the Law of the Republic of Kazakhstan "On insurance activities", before the expiration of two months from the date of entry into force of the court decision on the compulsory liquidation of the participating insurance company, the creditor shall apply with a written application for the implementation of the guarantee payment to the participating insurance company that accepted the insurance portfolio of the liquidated insurance (reinsurance) company.

In the absence of supporting documents, the creditor shall have the right to apply to the temporary administration of the liquidated insurance company or the liquidation commission of the forcibly liquidated insurance company with an application to transfer the relevant documents to the Fund or the participating insurance company that accepted the insurance portfolio of the liquidated insurance (reinsurance) company.

3. Upon the occurrence of an insured event under an insurance contract in the cases provided for in paragraph 1 of this Article, the creditor shall have the right to apply with a demand for the guarantee payment directly to the Fund or the participating insurance organization.

After receiving the claim of the creditor in accordance with paragraph 2 and part one of paragraph 3 of this Article, the Fund or the participating insurance company, in the manner prescribed by the laws of the Republic of Kazakhstan and (or) the insurance contract, shall be obliged to work to determine the insured event and the amount of damage caused.

4. After representing complete package of documents by the creditor or insurance organization-participant, required for carrying out of guarantee payment, the Fund shall adopt decision on carrying out of guarantee payment or on refusal in carrying out of guarantee payment.

5. The Fund shall compensate for expenses of insurance organizations-participants, linked with carrying out of arrangements, including the expenses for evaluating harmed property, provided by paragraph 3 of this Article in amount of factual expenses, but no more than seven monthly calculated indices.

6. Features, procedures and amounts of guarantee payments shall be determined in accordance with this Law and the regulatory legal act of the authorized body.

7. The guarantee payment shall not cover moral damage, lost profit of the creditor, penalty under the insurance contract and other expenses, including those previously recovered in court from the liquidated insurance (reinsurance) company, except for the expenses provided for in paragraph 5 of this Article.

8. Guarantee payment to creditors shall be carried out by the Fund immediately or through the agent-bank in non-cash form on banking account of the creditor or by cash money under agreement of parties.

9. From the day the guarantee payment is made to the creditor of the liquidated insurance company participant, the Fund shall transfer the right to claim the creditor under the insurance contract in the amount of the guarantee payment made.

The transferred right of claim of the creditor, as well as the claim for reimbursement of expenses associated with the implementation of the guarantee payment, shall be presented by the Fund to the liquidation commission of the liquidated insurance company (hereinafter referred to as the Liquidation commission) or the participating insurance company if the court decides to cancel the decision of the authorized body to deprive the license this insurance company-participant in the manner prescribed by the legislation of the Republic of Kazakhstan.

10. From the date of receipt of a copy of the decision of the authorized body to revoke the license of the insurance (reinsurance) company, the Fund shall publish in Kazakh and Russian languages a message on the implementation of guarantee payments to creditors of the liquidated insurance (reinsurance) company in the event of insured events during:

- 1) two working days on the Internet resource of the Fund;
- 2) ten working days in two periodicals distributed throughout the territory of the Republic of Kazakhstan and Kazakhstan information Internet resources.

Footnote. Article 15 is in the wording of Law of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); as amended by Laws of the Republic of Kazakhstan № 234-IV dated 30.12.2009; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 15-1. Grounds and procedure for making a guarantee payment for guaranteed annuity classes of insurance

1. The right to claim against the Fund for the implementation of the guarantee payment arises from the creditor after two working days from the date of transfer to the Fund by the temporary administration appointed by the authorized body based on its decision to revoke the license of the insurance company, the register of insurance contracts for which the guarantee is provided in accordance with subparagraph 1) of paragraph 2 of this Article, within the time limits established by the Law of the Republic of Kazakhstan "On Insurance Activities".

2. The following creditors shall have the right to receive a guaranteed payment:

- 1) under annuity insurance contracts carried out in accordance with the Social Code of the Republic of Kazakhstan and the Law of the Republic of Kazakhstan “On compulsory insurance of an employee from accidents upon performance of labor (official) duties by them” , effective at the time of appointment by the authorized body of the temporary administration on the basis of his decision on revocation of the license of the insurance organization;

2) under annuity insurance contracts concluded in connection with the establishment or extension (re-examination) of the degree of loss of the employee's professional ability to work , upon the termination of the activity (liquidation) of the legal entity (employer), from the date of appointment of the temporary administration by the authorized body.

The rights of creditors to receive guarantee payments specified in part one of this paragraph shall be valid until the date of transfer of the insurance portfolio to the liquidated insurance company-participant in the manner prescribed by the Law of the Republic of Kazakhstan "On Insurance Activities" to another insurance company licensed in the "life insurance" sector.

If an individual applies to the Fund in connection with the emergence of the right to claim the Fund to make a guarantee payment on the grounds provided for in subparagraph 2) of part one of this paragraph, the guarantee payment shall be made by the Fund based on documents received from the temporary administration of the insurance company, in the manner and on conditions provided for by this Law.

3. The Fund, after two working days after receiving the register of insurance contracts from the provisional administration, ensures the continuity and timeliness of guarantee payments under the insurance contracts specified in subparagraph 1) of part one of paragraph 2 of this Article.

In the event of the occurrence of the event provided for in subparagraph 2) of part one of paragraph 2 of this Article, the creditor shall have the right to apply to another insurance organization licensed in the "life insurance" sector with an application for the conclusion of an annuity insurance contract within the framework of compulsory insurance of an employee against accidents in the performance of labour (service) duties.

Payment of the insurance premium under annuity insurance contracts specified in subparagraph 2) of part one of paragraph 2 of this Article shall be carried out by the Fund in the manner and on the terms provided for by the regulatory legal act of the authorized body.

Upon the expiration of the annuity insurance contract concluded on the grounds provided for in subparagraph 2) of part one of paragraph 2 of this Article, the subsequent annuity insurance contract due to the establishment or extension (re-examination) of the degree of loss of the employee's professional ability to work shall be subject to the conclusion with the insurance company that accepted the insurance portfolio in the class of compulsory insurance of an employee against accidents in the performance of their labor (service) duties.

4. The Fund is not entitled to refuse to make the guarantee payment provided for in paragraph 2-2 of Article 7 of this Law.

5. The guarantee payment to creditors, specified in subparagraph 1) of part one of paragraph 2 of this Article, shall be carried out directly by the Fund or through an agent bank in a non-cash form to the bank account of the creditor or in cash by agreement of the parties.

6. From the day the guarantee payment is made to the creditor of the liquidated insurance company, the Fund shall have the right to claim the creditor under the insurance contract in the amount of the guarantee payment made.

The transferred right of claim of the creditor, as well as the claim for reimbursement of expenses associated with the implementation of the guarantee payment, shall be presented by the Fund to the liquidation commission of the forcibly liquidated insurance company or insurance company participant if the court decides to cancel the decision of the authorized body to deprive the license of this insurance company-participant in the manner prescribed by the legislation of the Republic of Kazakhstan.

7. The Fund, within two working days from the date of receipt of a copy of the decision of the authorized body to revoke the license of the insurance (reinsurance) company, publishes in Kazakh and Russian languages in two periodicals distributed throughout the territory of the Republic of Kazakhstan, Kazakhstani information Internet resources and on the Internet - the resource of the Fund an announcement on the date of making guarantee payments to creditors

Footnote. Chapter 5 is supplemented with Article 15-1 in accordance with Law of the Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); as amended by the Law of the Republic of Kazakhstan dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023).

Article 16. Additional methods of protection of the insurants' rights

Footnote. Article 16 is excluded by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement).

Article 17. Termination of guarantees of the Fund

Guarantees of the Fund shall be terminated in cases of:

- 1) carrying out of guarantee payment in accordance with this Law;
- 2) expiration of the creditor's recourse period established by Article 15 of this Law (for guarantee payments for compulsory insurance classes);
- 3) expiration of the term of validation of insurance agreement;
- 4) payment of insurance portfolio of compulsorily liquidated insurance (reinsurance) organization, transferred to insurance organization-participant in the manner and on conditions, provided by the legislation of the Republic of Kazakhstan on insurance and insurance activity.

Footnote. Article 17 is in the wording of Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); as amended by Law of the

Republic of Kazakhstan № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication).

Chapter 5-1. Payments of the Fund on compensation of harm, inflicted to life, health of injured person and (or) expenses for burial

Footnote. The Law is supplemented by chapter 5-1 in accordance with Law of the Republic of Kazakhstan № 244 dated 7 May 2007 (shall be enforced from 1 October 2008).

Article 17-1. Right of receiving payments on compensation for harm, inflicted to life, health of injured person and (or) expenses for burial

1. Payments on compensation for harm, inflicted to life, health of injured person (hereinafter – payment on compensation for harm) and (or) expenses for burial shall be performed by the Fund in cases of non-identification of a person, evaded from the place of traffic accident and responsible for infliction of harm, to injured person.

2. Citizens of the Republic of Kazakhstan, as well as foreign persons and stateless persons shall have the right to receiving payments on compensation for harm.

This right shall not apply to foreign persons and stateless persons that do not have available insurance agreement against the accidents.

3. Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

4. In case of death of injured person, the right of demand on carrying out of payment on compensation for harm shall be transferred to a person (persons) having the right to compensation for harm due to death of injured person according to the legislative acts of the Republic of Kazakhstan.

5. The Fund shall reimburse the burial expenses to the person who carried out the burial of the victim in the amount established by the Law of the Republic of Kazakhstan "On Compulsory Insurance of Civil Liability of Vehicle Owners", based on a written application with the attachment of the documents provided for in subparagraphs 1), 4), 6) and 7) paragraph 2 of Article 17-2 of this Law.

Footnote. Article 17-1 as amended by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 17-2. Carrying out of payments on compensation for harm and (or) expenses for burial by the Fund

1. Injured person or persons, mentioned in paragraphs 4 and 5 of Article 17-1 of this Law shall apply with application with attachment of documents, required for carrying out of payments on compensation for harm and (or) expenses for burial, directly to the Fund.

2. The application on payments on compensation for harm and (or) expenses for burial shall be enclosed by the following documents:

1) document, confirming the fact of occurrence of the case, provided by paragraph 1 of Article 17-1 of this Law;

2) copy of opinion of public health organization in which the injured person was provided by medical assistance due to inflicted harm to life in the result of traffic accident, with the specification of nature of injuries and mains, diagnosis, period of temporary disability received by injured person;

3) copy of opinion of the institutions of medical and social or forensic medical examination;

4) a copy of the certificate or notification of the death of the victim;

5) document, confirming the right of a person, having the right to compensation for harm (in case of death of injured person) according to legislative acts of the Republic of Kazakhstan;

6) documents or their copies, confirming actual expenses for burial;

7) copy of identity document.

3. After representing the complete package of documents, required for carrying out of payments on compensation for harm and (or) expenses for burial by injured persons or persons, provided by paragraphs 4 and 5 of Article 17-1 of this Law, the Fund shall adopt decision on carrying out of payment on compensation for harm and (or) expenses for burial or on refusal in their carrying out.

4. Decision on payment on compensation for harm and (or) expenses for burial shall be adopted by the Fund within thirty business days from the date of receiving the documents, provided by paragraph 2 of this Article. Payment on compensation for harm and (or) expenses for burial shall be carried out by the Fund within five business days from the date of adoption of decision on payment on compensation for harm and (or) expenses for burial.

5. Is excluded by Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009.

6. Payments for compensation for harm and (or) burial expenses shall be made in the amounts established by the Law of the Republic of Kazakhstan "On compulsory insurance of civil liability of vehicle owners".

7. Payment on compensation for harm shall not cover moral damage, as well as harm, inflicted to property, loss of profit of injured person or persons, provided by paragraph 4 of Article 17-1 of this Law, environmental damage.

8. Payments on compensation for harm and (or) expenses on burial shall be carried out immediately by the Fund or through the agent-bank in non-cash form on banking account of injured person or persons, provided by paragraphs 4 and 5 of Article 17-1 of this Law.

9. The Fund shall refuse to pay compensation for harm and (or) burial expenses in the following cases:

1) *the actions of the victim are recognized in accordance with the procedure established by legislative acts of the Republic of Kazakhstan, intentional criminal or administrative offenses, which are in causal relationship with the transport incident;*

2) *Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication);*

3) traffic accident occurred due to insuperable force, in other words emergency and unavoidable circumstances in these conditions, such as influence of atomic explosion, radiation or radioactive contamination, military activities, civil war, meetings, rallies, marches, picketings and demonstrations, mass disorders and strikers;

4) non-presentation of complete package of documents or presentation of unreliable documents, provided by paragraph 2 of this Article.

In existence of grounds for refuse in carrying out of payments on compensation for harm and (or) expenses for burial, the Fund shall be obliged to refer notification in written form with substantiated explanation of the reasons for refusal within thirty business days from the date of receiving complete package of documents.

10. For carrying out of function by the Fund, provided by subparagraph 4) of paragraph 2 of Article 8 of this Law, the Fund shall request information in the Ministry of Internal Affairs of the Republic of Kazakhstan and General Prosecutor's Office of the Republic of Kazakhstan.

Procedure, volume and terms of providing information shall be established by the act of the Ministry of Internal Affairs of the Republic of Kazakhstan and order of the General Prosecutor's Office of the Republic of Kazakhstan.

Details received by the Fund shall not be subject to disclosure.

11. To make payments for compensation for harm, the Fund shall request and receive insurance reports from a single insurance database, formed in accordance with the Law of the Republic of Kazakhstan "On Insurance Activities", in the manner determined by the authorized body.

Footnote. Article 17-2 as amended by Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009; № 227-V dated 03.07.2014 (shall be enforced from 01.01.2015); № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 14.07.2022 № 141-VII (shall come into effect upon the expiration of ten calendar days after the day of its first official publication).

Article 17-3. Right of counter demand to a person inflicted harm

The Fund shall have the right of counter demand to a person inflicted harm to injured person within the payment on compensation for harm and (or) expenses for burial in recognition of expenses, incurred by the Fund due to considering the requirement of injured person or persons, provided by paragraphs 4 and 5 of Article 17-1 of this Law, on carrying out of payments on compensation for harm and (or) expenses for burial.

Article 17-4. Creation of reserve of compensation for harm

1. Carrying out of payments on compensation for harm and (or) expenses for burial shall be performed by the Fund at the expense of funds from reserve of compensation for harm.

In case of deficiency of the funds from reserve of compensation for harm for carrying out of payments on compensation for harm and (or) expenses for burial, the Fund shall use the insurance payments guarantee reserve in the manner, provided by this Law.

2. Source of formation of the reserve of compensation for harm are initial original contributions in amount, established by the authorized body, and additional contributions paid by insurers in accordance with participant agreement, concluded with the Fund.

Method of calculating the rate of additional contributions, procedure and terms of their paying shall be established by the regulatory legal acts of the authorized body.

3. Amount of additional contributions shall be calculated proceeding from the volume of accrued premiums by insurance organization-participant on compulsory insurance of civil responsibility of the vehicle owners and rate of additional contributions.

4. Suspension of validity of a license for the right of carrying out of insurance activity shall not release insurance organization-participant from payment of additional contributions.

5. From the date of depriving insurance organization-participant of a license for carrying out of compulsory insurance of civil responsibility of vehicle owners, the obligations of insurance organization-participant on paying additional contributions shall be suspended before enforcement of court decision on compulsory liquidation of insurance organization-participant.

Obligation of insurance organization-participant on paying additional contributions shall be terminated from the date of enforcement court decision on its compulsory liquidation.

Additional contributions paid by insurance organizations-participants shall not be subject to return in accordance with this Law.

Footnote. Article 17-4 as amended by Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009.

Article 17-5. Improper fulfilment of obligations for the payment of initial one-time, additional contributions

1. In case of non-payment of the initial one-time, additional contributions in full, the Fund, within seven working days from the date of payment, shall be obliged to notify the authorized body of the improper performance by the participating insurance company of its obligations under this Law.

2. The authorized body, upon receipt of the Fund's notification of improper performance by the participating insurance company of obligations to pay initial one-time, additional contributions, shall have the right to apply sanctions and supervisory response measures to such an insurance company, provided for by the legislation of the Republic of Kazakhstan on insurance and insurance activities.

Footnote. Article 17-5 - as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Chapter 6. Rights and obligations of participants in the insurance payment guarantee system

Article 18. Rights and obligations of the Fund

1. The Fund shall have the right to:

1) demand payment of compulsory, emergency and additional contributions in the manner , provided by the legislation of the Republic of Kazakhstan;

2) apply before authorized body on inclusion of its representative into composition of liquidation commission and participant in liquidation proceeding of compulsorily liquidated insurance organization in the manner, provided by the legislation of the Republic of Kazakhstan;

3) demand representation of information and documents, required for implementing the tasks of the Fund from liquidation commission and a creditor;

4) request details from authorized body on financial condition of insurance organizations-participants, quantity of concluded insurance agreements by insurance organization-participant and other required information, with the exception of details, constituting insurance secrecy and other secrets protected by the Law of the Republic of Kazakhstan;

5) refuse the creditor a guarantee payment in the cases provided for by this Law, the insurance contract or legislative acts of the Republic of Kazakhstan;

6) in case of occurrence of the event specified in part two of paragraph 3 of Article 15-1 of this Law, engage an independent actuary to verify the adequacy of the calculation of the insurance premium under the annuity insurance contract concluded between the creditor and the insurance organization licensed for the “life insurance” industry;

7) receive a commission in accordance with Article 8-1 of this Law;

8) request and receive from (from) the participating insurance organization information within the time limits and to the extent determined by the Board of Directors of the Fund, including information on its obligations under guaranteed types (classes) of insurance, constituting an insurance and other secret protected by law;

9) request and receive from (from) the Ministry of Internal Affairs of the Republic of Kazakhstan and the General Prosecutor's Office of the Republic of Kazakhstan the

information necessary for the implementation of its function, provided for by subparagraph 4) of paragraph 2 of Article 8 of this Law;

10) request and receive from (from) the organization for the formation and maintenance of the database information necessary for the implementation of its activities, in accordance with subparagraph 3-1) of paragraph 4 of Article 80 of the Law of the Republic of Kazakhstan "On Insurance Activities".

2. The Fund shall be obliged to:

1) enter into a participation agreement with an insurance organization, which is obliged to participate in the Fund in accordance with the legislative acts of the Republic of Kazakhstan;

1-1) keep records of reserves for guaranteeing insurance payments separately for the "general insurance" and "life insurance" sectors;

1-2) keep records of the funds of the reserves for guaranteeing insurance payments, the reserve for damages separately from the Fund's assets;

2) invest the assets in financial instruments in the manner, determined by the legislation of the Republic of Kazakhstan;

3) submit financial and other reports to the National Bank of the Republic of Kazakhstan in accordance with the regulatory legal acts of the National Bank of the Republic of Kazakhstan;

4) represent own financial reporting to insurance organizations-participants on their requests in the volume, determined in accordance with the participant agreement;

5) annually publish annual financial statements, confirmed by an audit organization;

6) carry out control of the procedure for paying compulsory, emergency and additional contributions by insurance organizations-participants, as well as of formation of conditional obligations by them;

7) carry out guarantee payments to creditors on obligations of compulsorily liquidated insurance organization in the manner, provided by this Law and regulatory legal acts of the authorized body;

8) conduct an audit;

9) notify the authorized body on the facts of violating the legislation of the Republic of Kazakhstan on insurance and insurance activity became known to it by insurance organizations;

10) notify liquidation commission on carrying out of guarantee payment to a creditor;

11) is excluded by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement);

12) use all information on activity of insurance organizations became known to it exclusively for business purposes in the course of carrying out its own functions;

13) compensate the expenses of insurance organizations-participants in the manner, provided by paragraph 5 of Article 15 of this Law.

2-1. The Fund shall carry out recording of operations conducted by it on business accounting and financial reporting in accordance with the legislation of the Republic of Kazakhstan.

2-2. In order to inform policyholders (the insured, beneficiaries), persons intending to enter into an insurance contract about the activities of the Fund, the latter is obliged to post the following information on its website:

- 1) its full name, address (location), telephone numbers, business hours, including those of its branches and representative offices;
- 2) information on its shareholders;
- 3) information on its executives;
- 4) information on the state registration number and business identification number;
- 5) information on the types of activities performed;
- 6) audited annual financial statements for previous three reporting years;
- 7) performance reports for previous three reporting years;
- 8) information on participation in associations (unions), and also in the association of insurance (reinsurance) organizations and insurance brokers (if any);
- 9) information on the participating insurance organizations.

3. The Fund shall have other rights and bear other obligations, provided by the Laws of the Republic of Kazakhstan and participant agreement.

Footnote. Article 18 as amended by Laws of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); № 234-IV dated 30.12.2009; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication).

Article 19. Rights and obligations of insurance organization-participant

1. An insurance company-participant shall have the right to:

- 1) publish information of own participation in insurance payments guarantee system in periodical printed publications in state and Russian languages, distributed over the whole territory of the Republic of Kazakhstan;
- 2) receive information from the Fund, related to carrying out of guarantee payments to creditors;
- 3) demand representation of financial reporting of the Fund from the Fund.

2. The participating insurance company shall be obliged to:

- 1) pay compulsory and emergency contributions, as well as form conditional obligations in the manner, provided by the legislation of the Republic of Kazakhstan;

2) provide the Fund with information necessary for calculating the amounts of mandatory, additional contributions and contingent liabilities, approving their rates, calculating the size of emergency contributions;

2-1) provide the Fund with information within the time limits and to the extent determined by the Board of Directors of the Fund, including information on its obligations under guaranteed types (classes) of insurance, constituting an insurance and other secret protected by law;

3) inform the Fund on occurrence of own non-creditworthiness and facts of applying the sanctions of the authorized body;

4) notify the Fund of termination of insurance activities on guaranteed types of insurance, for which the insurance organization is obliged to participate in the Fund, in accordance with the legislative acts of the Republic of Kazakhstan;

4-1) carry out alienation of the Fund's shares of stock belonged to it in cases, provided by this Law;

5) notify the Fund on bringing of statement of claim in court on compulsory liquidation, as well as on adoption of decision by court on compulsory liquidation of insurance organization;

5-1) notify the Fund about the withdrawal by the authorized body of the license of a branch of an insurance organization-non-resident of the Republic of Kazakhstan and the procedure for the forced termination of activities of a branch of an insurance organization-non-resident of the Republic of Kazakhstan;

6) is excluded by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement);

7) carry out arrangements, provided by paragraph 3 of Article 15 of this Law.

Insurance organization-participant having a license for the right to carry out compulsory insurance of civil responsibility of the vehicle owners shall be obliged to pay additional contributions in the manner, provided by the legislation of the Republic of Kazakhstan.

3. Insurance organization-participant shall have other rights and incur other obligations, provided by the Laws of the Republic of Kazakhstan and participant agreement.

Footnote. Article 19 as amended by Laws of the Republic of Kazakhstan № 128 dated 20.02.2006 (see Article 2 for the order of enforcement); № 234-IV dated 30.12.2009; № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 166-VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication); dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020); dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Article 20. Rights and obligations of liquidation commission

1. The liquidation commission shall have the right to receive notifications from the Fund on implementation of a guarantee payment to creditors of a forcibly liquidated insurance

organization that forcibly terminates the activities of a branch of an insurance organization-non-resident of the Republic of Kazakhstan.

2. Liquidation commission shall be obliged to:

1) ensure access of authorized representatives of the Fund to information and documentation relating to the process of liquidation or forced termination of activities of a branch of an insurance organization-non-resident of the Republic of Kazakhstan, with the right to receive the copies and extracts from documents;

2) notify the Fund immediately on termination of own obligations before a creditor;

3) represent information and documents, concerning concluded insurance agreements required by the Fund.

3. Liquidation commission shall have other rights and incur other obligations, provided by the Laws of the Republic of Kazakhstan.

Footnote. Article 20 as amended by Laws of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); dated 02.01.2021 № 399-VI (shall be enforced from 16.12.2020).

Article 21. Rights and obligations of a creditor

1. A creditor shall have the right to:

1) demand carrying out of guarantee payment from the Fund in the manner, provided by this Law;

2) is excluded by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement);

3) demand satisfying the requirements from liquidation commission in amount, exceeding guarantee payment received from the Fund.

2. A creditor shall be obliged to:

1) represent the documents to the Fund, provided by the legislative act of the Republic of Kazakhstan on compulsory insurance or insurance agreement, confirming the fact of occurrence of insured accident and amount of losses under the insurance agreement;

2) transfer all documents, required for implementing the rights of a creditor transferred to him (her) by the Fund in accordance with the legislation of the Republic of Kazakhstan.

3. A creditor shall have other rights and incur other obligations, provided by the Laws of the Republic of Kazakhstan.

Footnote. Article 21 as amended by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement).

Article 21-1. Regulation of intermediary services in the implementation of guarantee payments and payments for damages

1. If an application and documents for receiving a guarantee payment or compensation for damages are provided to the Fund with the participation of a person providing intermediary services to receive such payment, in addition to such documents, a notarized copy of the

agreement on the provision of intermediary services must be submitted to the Fund indicating the amount of the commission of this person.

2. The amount of the commission fee of a person providing intermediary services to receive a guarantee payment or a payment for compensation for harm must not exceed the:

- 1) ten percent of the amount of such payment in the "general insurance" sector;
- 2) one percent of the amount of such payment in the "life insurance" sector.

Footnote. Chapter 6 is supplemented by Article 21-1 in accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall come into effect upon the expiration of sixty calendar days after the day of its first official publication).

Chapter 7. Final and transitional provisions

Article 22. Liquidation or reorganization of the Fund

1. Liquidation or reorganization of the Fund shall be carried out in accordance with the legislation of the Republic of Kazakhstan in recognition of special aspects, established by this Law.

2. The Fund may be liquidated in the event of exclusion of the requirements for mandatory participation of insurance organizations in the Fund, provided for by the legislative acts of the Republic of Kazakhstan.

3. Funds of the insurance payments guarantee reserve and reserve of compensation for harm, formed as from the date of liquidating the Fund shall be distributed among insurance organizations-participants of the Fund proportionally to the share of their participation in these reserves of the Fund.

4. is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

5. is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

6. is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

7. is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

8. is excluded by Law of the Republic of Kazakhstan № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication).

Footnote. Article 22 is in the wording of Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009; as amended by Law of the Republic of Kazakhstan № 338-IV dated 15.07.2010 (see Article 2 for the order of enforcement); № 311-V dated 27.04.2015 (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 166 -VI as of 02.07.2018 (shall be enforced ten calendar days after its first official publication).

Article 23. Responsibility for violation of the legislation of the Republic of Kazakhstan on the Fund

Persons guilty in violation of the legislation of the Republic of Kazakhstan on the Fund shall bear responsibility, provided by the Laws of the Republic of Kazakhstan.

Article 24. Transitional provisions

Footnote. Article 24 is excluded by Law of the Republic of Kazakhstan № 234-IV dated 30.12.2009.

The President of the Republic of Kazakhstan

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