On the State Regulation, Control and Supervision of the Financial Market and Financial Organizations

Unofficial translation

The Law of the Republic of Kazakhstan dated 4 July, 2003 № 474.

Unofficial translation

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

Note!

From 01.01.2013 the words “unified register”, “of unified register”, “by unified register” respectively consider as the words “register”, “of register”, “by register” in accordance with the Law of the Republic of Kazakhstan dated 28.12.2011 № 524-IV.

Footnote. Throughout the text, the words "and financing of terrorism" are to be replaced, respectively, with the words "financing of terrorism and financing the proliferation of weapons of mass destruction" in accordance with the Law of the Republic of Kazakhstan dated 19.09.2025 № 219-VIII (effective sixty calendar days after the date of its first official publication).

This Law regulates the public relations, related with carrying out of the state regulation, control and supervision of financial market and financial organizations, and directs to increasing of stability of financial system of the Republic of Kazakhstan and creation conditions on prevention of violation of rights and legal interests of consumers of financial services.

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

Chapter 1. General provisions

Article 1. Basic concepts used in this Law

The following basic concepts are used herein:

1) unfair practices are actions (or inaction) by entities subject to conduct supervision, the types and features thereof being established by paragraph 2 of Article 15-25 hereof;

2) financial services are the activities of professional participants in the insurance market (excluding actuaries), professional participants in the securities market, voluntary pension savings fund, banking activities, the activities of organisations engaged in certain types of banking operations, and organisations engaged in microfinance activities, performed under

licences obtained under the legislation of the Republic of Kazakhstan, as well as activities not subject to licensing:

a unified accumulative pension fund;

a central securities depository;

a single operator in the field of state property accounting, with regard to the performance of functions relating to the nominal holding of securities belonging to the state or to entities in the quasi-public sector—the list thereof being approved by the authorised body for the management of state property—or in respect of which the state or such entities in the quasi-public sector hold property rights;

mutual insurance societies;

an organisation that guarantees the payment of insurance claims to policyholders (insured persons, beneficiaries) in the event of the winding-up of insurance organisations;

3) a consumer of financial services is a natural person or legal entity intending to purchase services or using the services of a financial organisation, a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, a branch of an insurance broker that is not a resident of the Republic of Kazakhstan, as well as one investing their funds in financial instruments;

4) the financial market is a set of relationships associated with the delivery and consumption of financial services, as well as the issuance and trading of financial instruments ;

5) an authorised body for the regulation, control and supervision of the financial market and financial institutions (hereinafter referred to as the authorised body) is a public authority responsible for the state regulation, control and supervision of the financial market and financial institutions;

6) responsible business practices in the financial market is a combination of principles and actions aimed at ensuring that entities subject to behavioural supervision treat consumers of financial services fairly, transparently and equitably;

7) professional activity in the financial market is entrepreneurial activity involving the provision of financial services;

8) a financial product is a service offered by a financial institution, a branch of a bank that is not a resident of the Republic of Kazakhstan, or a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan, to consumers of financial services in the course of their professional activities in the financial market;

9) a financial institution is a legal entity engaged in the business of rendering financial services;

10) an impeccable business reputation is the professionalism and integrity of a person, as evidenced, inter alia, by the absence of any adverse facts:

the commission by the said person of unlawful acts (or omissions) which led to insolvency resulting in the compulsory liquidation of the financial institution, or to the imposition of a resolution regime on the bank;

the existence of an unexpunged or unspent criminal conviction against the said person, including the absence of a final court order imposing a criminal penalty on the person in the form of disqualification from holding a senior management position in a financial organisation, a banking and/or insurance holding company, or to be a major participant (major shareholder) in a financial organisation for life;

the existence of relationships with third parties (control and influence by third parties) whose actions have facilitated the laundering of criminally obtained proceeds, the financing of terrorism, and the financing of the proliferation of weapons of mass destruction, based on information from the designated financial intelligence authority;

11) inspection documents are documents prepared by the regulatory authority in the course of and based on the results of an audit;

12) an authorised agent is a person who acts as a commercial representative of an entity subject to behavioural supervision, including an insurance agent;

13) behavioural supervision is the activity of the authorised body aimed at preventing, detecting and addressing infringements of the rights and legitimate interests of consumers of financial services caused by the actions (or inaction) of entities subject to behavioural supervision and/or their authorised agents, as set out in Chapters 2–4 of this Law and other laws of the Republic of Kazakhstan;

14) an entity subject to behavioural supervision is a bank, a branch of a bank that is not a resident of the Republic of Kazakhstan, an organisation engaged in certain types of banking operations, a microfinance organisation, a debt collection agency to which rights (claims) have been assigned under a bank loan agreement or a microlending agreement concluded with a natural person, an insurance (reinsurance) organisation, or a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, as well as an organisation engaged in brokerage activities on the securities market.

Footnote. Article 1 – as revised by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 2. The legislation of the Republic of Kazakhstan on the state regulation, control and supervision of financial market and financial organizations

1. The legislation of the Republic of Kazakhstan on the state regulation, control and supervision of financial market and financial organizations shall be based on the Constitution of the Republic of Kazakhstan, shall consist of this Law and other regulatory legal acts of the Republic of Kazakhstan.

2. If by the international treaty, ratified by the Republic of Kazakhstan, made other rules than those that contained in this Law, the rules of the international treaty shall be applied.

3. Excluded by the Law of the Republic of Kazakhstan dated 19.06.2024 № 97-VIII (shall enter into force on 01.07.2024).

Footnote. Article 2 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication); as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020); dated 19.06.2024 № 97-VIII (shall enter into force on 01.07.2024).

Article 3. Main objectives, tasks and principles of state regulation, control and supervision of the financial market and financial institutions

1. The primary aim of state regulation, control and supervision of the financial market and financial institutions shall be to promote the stability of the financial system.

2. To achieve the primary objective set out in paragraph 1 of this Article, the authorised body shall be entrusted with the following tasks relating to the state regulation, control and supervision of the financial market and financial institutions:

1) setting standards for the operations of financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan; and creating incentives to improve corporate governance within financial institutions;

2) the creation of a level playing field for the operations of financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan, with a view to maintaining fair competition in the financial market;

3) ensuring an adequate level of protection for the interests of consumers of financial services, and ensuring that information regarding the activities of financial organisations, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, branches of insurance brokers that are non-residents of the Republic of Kazakhstan and the financial services they offer, as well as improving the level of financial literacy and financial accessibility for the population;

4) monitoring of the financial market and financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan, with a view to maintaining the stability of the financial system ;

5) focusing supervisory resources on those areas of the financial market that are most exposed to risk, with a view to maintaining financial stability;

6) other tasks specified herein and other legislative acts of the Republic of Kazakhstan, aimed at achieving the primary objective of state regulation, control and supervision of the financial market and financial organisations, as stipulated in paragraph 1 of this article.

3. The principles governing the state regulation, control and supervision of the financial market and financial institutions shall be as follows:

1) efficient use of resources and regulatory instruments;

2) transparency in the operations of financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, branches of non-resident insurance brokers in the Republic of Kazakhstan, and financial supervision;

3) liability of financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan.

Footnote. Article 3 – as reworded by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 4. Prohibition on unauthorized activity on the financial market

1. Carrying out of professional activity on the financial market by persons, not having the appropriate license, issued in accordance with the legislation of the Republic of Kazakhstan shall not be prohibited.

2. Transactions in rendering financial services, performed without the appropriate license, shall be invalid.

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

Article 5. Prudential regulation and other standards and limits, compulsory for observance

Prudential standards shall be economic restrictions established by the authorized body for financial organizations, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan , branches of non-resident insurance brokers of the Republic of Kazakhstan in order to ensure their financial stability and protect the interests of consumers of financial services.

In the cases, provided by the legislative acts of the Republic of Kazakhstan, an authorized body shall have a right to establish the prudential regulations and other standards and limits, compulsory for observance on the consolidated basis.

Footnote. Article 5 as amended by the Law of the RK dated 24.11.2015 № 422-V (shall enter into force from 16.12.2020).

Article 6. Antimonopoly regulation on the financial market

(Is excluded by the Law of the republic of Kazakhstan dated 7 July, 2006 № 174).

Chapter 1-1. Status, structure and bodies of the authorized body

Footnote. The Law was supplemented with chapter 1-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 6-1. Status and legal basis for the activities of the authorized body

The authorized body is a state body directly subordinate and accountable to the President of the Republic of Kazakhstan, carrying out state regulation, control and supervision of the financial market and financial organizations.

The authorized body acts on the basis of the Regulations on it, approved by the President of the Republic of Kazakhstan.

The authorized body in its activities is guided by the Constitution of the Republic of Kazakhstan, this Law, other laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and international treaties of the Republic of Kazakhstan.

The authorized body is a legal entity in the organizational and legal form of a republican state institution financed from the budget (expense estimate) of the National Bank of the Republic of Kazakhstan.

The authorized body develops a strategic plan for a five-year period, in which it defines the strategic directions, goals and target indicators of the activities of the authorized body.

The strategic plan is approved by the Chairman of the authorized body in agreement with the President of the Republic of Kazakhstan or, upon his authority, by the Head of the Administration of the President of the Republic of Kazakhstan.

Footnote. Article 6-1 as amended by the Law of the Republic of Kazakhstan dated 19.06.2024 № 97-VIII (shall enter into force on 01.07.2024).

Article 6-2. Structure and total staffing of the authorized body

The structure and total staffing of the authorized body shall be approved by the President of the Republic of Kazakhstan.

Article 6-3. Chairman of the authorized body

The Chairman of the authorized body shall be appointed by the President of the Republic of Kazakhstan for a period of six years.

The Chairman of the authorized body acts on behalf of the authorized body and represents it without a power of attorney in relations with state bodies, organizations and other persons.

The Chairman of the authorized body is empowered to make operational and executive-administrative decisions on the issues of activity of the authorized body, with the exception of the powers specified by this Law for the Board of the authorized body, to conclude contracts on behalf of the authorized body.

The Chairman of the authorized body shall be responsible for the activities of the authorized body.

The Chairman of the authorized body shall have the right to resign by submitting his/her written application to the President of the Republic of Kazakhstan two months before resigning.

The Chairman of the authorized body shall be dismissed from the post by the President of the Republic of Kazakhstan

Article 6-4. The Deputy Chairmen of the authorized body

The Deputy Chairmen of the authorized body shall be appointed by the President of the Republic of Kazakhstan upon the proposal of the Chairman of the authorized body for a period of six years, regardless of the terms of appointment of the Chairman of the authorized body.

The Deputy Chairmen of the authorized body shall represent the authorized body without a power of attorney, sign documents within their competence.

The Deputy Chairmen of the authorized body shall be dismissed from the post by the President of the Republic of Kazakhstan upon the proposal of the Chairman of the authorized body.

The Deputy Chairmen of the authorized body can resign by submitting their written application to the President of the Republic of Kazakhstan through the Chairman of the authorized body two months before resigning.

Article 6-5. Board of the authorized body and its powers

The supreme body of the authorized body is the Board.

The Board of the authorized body shall:

1) determine the priorities in the field of formation and development of the financial market;

2) adopt normative legal acts regulating the activities of the financial market and financial organizations, as well as other persons, in accordance with the purposes and objectives provided for by paragraphs 1 and 3 of Article 3 of this Law and the legislation of the Republic of Kazakhstan. The list of by-laws shall be determined in the regulations on the authorized body;

3) determine the procedure for applying limited measures of influence to financial institutions and other individuals, supervisory response measures provided for by the Laws of the Republic of Kazakhstan, on issues within its competence;

4) excluded by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall become effective upon expiry of sixty calendar days after the date of its first official publication);

5) Excluded by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication);

6) approve the programs aimed at protecting interests of the consumers of financial services together with the National Bank of the Republic of Kazakhstan;

7) 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);

8) 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);

9) consider, approve and submit the structure, total staffing of the authorized body and the Regulations on the authorized body, as well as amendments and additions to them for approval to the President of the Republic of Kazakhstan;

9-1) approves the remuneration system for employees of the authorized body in agreement with the President of the Republic of Kazakhstan;

10) approve the terms of remuneration and social welfare of employees of the authorized body;

11) consider, accept and submit an annual report on the work of the authorized body for approval to the President of the Republic of Kazakhstan;

12) approve the rules for appointment to a position and termination of an employment contract with employees of the authorized body;

13) 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);

14) approve the rules for publication of financial statements by joint-stock companies and financial organizations, which determine the procedure for its publication, including the list of financial statements subject to publication and the terms of its publication;

15) approve the rules for creating provisions (reserves) in accordance with international financial reporting standards and the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting;

16) approve the rules for the issuance and circulation of bank deposit certificates;

17) 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);

18) develop and approve the rules for acquisition of services related to ensuring the stability of the financial system by the authorized body;

18-1) together with the National Bank of the Republic of Kazakhstan and the authorized body exercising management in the area of ensuring the receipt of taxes and other mandatory payments to the budget, approve the rules for the withdrawal of cash from bank accounts by business entities;

18-2) approves the size of the targeted loss ratio, reliability factor and correction factors used to calculate the insurance bonus for compulsory civil liability insurance of vehicle owners in accordance with the Law of the Republic of Kazakhstan “On compulsory civil liability insurance of vehicle owners”;

18-3) establish the conditions and procedures for the issuance, placement, circulation and redemption of digital financial assets as specified in sub-paragraphs 2) and 3) of Article 5 of the Law of the Republic of Kazakhstan “On Digital Assets in the Republic of Kazakhstan”;

18-4) approve the list (types) of property that may serve as the underlying asset for digital financial assets as specified in sub-paragraph 2 of Article 5 of the Law of the Republic of Kazakhstan “On Digital Assets in the Republic of Kazakhstan”, as well as the procedure for the recording and safekeeping of the underlying asset for such digital financial assets;

18-5) specify the requirements for organisations authorised to act as custodians of the underlying asset of a digital financial asset in respect of the digital financial assets referred to in sub-paragraph 2 of Article 5 of the Law of the Republic of Kazakhstan “On Digital Assets in the Republic of Kazakhstan”;

19) carry out other functions and powers provided for by this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

The requirements of sub-paragraphs 2), 3), 14), 15) and 17) of the second part of this Article shall apply to branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan.

For the purposes of applying subparagraph 14) of second part of this Article in relation to branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of insurance non-resident brokers of the Republic of Kazakhstan, financial reporting shall be understood as accounting reporting.

Footnote. Article 6-5 as amended by the Law of the RK dated 02.01.2021 № 399-VI (the order of entry into force see Article 2); dated 12.07.2022 № 138-VII (the order of entry into force see Article 2); dated 19.06.2024 № 97-VIII (shall enter into force on 01.07.2024); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication); № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 6-6. Composition of the Board of the authorized body

The board of the authorized body shall consist of seven persons.

The Board of the authorized body shall include the Chairman of the authorized body, four officials of the authorized body, one representative from the President of the Republic of Kazakhstan and one representative from the National Bank of the Republic of Kazakhstan.

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

Footnote. Article 6-6 as amended by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication).

Article 6-7. Meetings of the Board of the authorized body

Meetings of the Board of the authorized body shall be held as necessary in accordance with the work plan approved by the Chairman of the authorized body.

Unscheduled meetings of the Board of the authorized body shall be held at the request of the Chairman of the authorized body or two members of the Board.

Members of the Board of the authorized body shall be timely notified of the appointment of the Board meeting.

The meetings of the Board of the authorized body shall be chaired by the Chairman of the authorized body, and in his/her absence - by a person replacing him/her.

The Board of the authorized body is competent to make a decision with the participation of at least two-thirds of the members of the Board, including the Chairman of the authorized body or a person replacing him/her.

The decision of the Board of the authorized body shall be adopted by a simple majority of votes of the members of the Board. In case of equality of votes, the vote of the Chairman of the authorized body shall be decisive.

The Chairman of the authorized body, no later than within a week, shall have the right to return the decision of the Board with his/her objections for a second discussion and vote. If the Board confirms the earlier taken decision by two-thirds of votes of their total number, the Chairman of the authorized body shall sign the decision.

The Board shall adopt a resolution on the issues within its competence.

Chapter 2. Functions and powers of the authorised body

Footnote. The heading of Chapter 2 as reworded by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 7. The status of the authorized body

Footnote. Is excluded by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 8. Tasks of the authorized body

Footnote. Article 8 is excluded by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 9. Functions and powers of the authorized body

Footnote. The title of Article 9 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

1. For the purpose of state regulation, control and supervision over the activities of financial organizations, as well as other persons in accordance with this Law and other laws of the Republic of Kazakhstan, the authorized body shall:

1) issue and revoke permission to open (creation) of financial organizations, their voluntary reorganization and liquidation, as well as voluntary reorganization of bank and insurance holding companies, as well as determine the procedure of issuance of specified permissions and consents in the cases, provided by the legislative acts of the Republic of Kazakhstan;

1-1) in cases stipulated by the Laws of the Republic of Kazakhstan, shall issue permits for voluntary reorganization of a microfinance organization in the form of conversion into a bank ;

2) in cases stipulated by legislative acts of the Republic of Kazakhstan, shall give consent or shall refuse to give consent to election (appointment) of persons to the positions of senior employees of financial organizations, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, bank holdings, insurance holdings, and also shall determine the procedure for giving this consent or refusing to give consent, including criteria for the absence of impeccable business reputation;

3) carry out licensing of activities in the financial sphere and activities related to concentration of financial resources, within the competence established by the laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan;

3-1) excluded by the Law of the RK dated 03.07.2020 № 359-VI (shall enter into force from 01.01.2021);

3-2) carry out accounting registration and maintenance of the register of collection agencies;

3-3) issue a permit for the right to carry out the activities of a credit bureau and an act on compliance of the credit bureau with the requirements for the credit bureau on protection and ensuring the safety of the database of credit histories, information systems used and premises;

3-4) monitors and supervises compliance by second–tier banks, branches of non-resident banks of the Republic of Kazakhstan and the National Postal Operator with the requirements for the arrangement of premises;

3-5) excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication);

4) adopt normative legal acts that are mandatory for execution by financial organizations, branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, consumers of financial services, other individuals and legal entities in the territory of the Republic of Kazakhstan;

5) approve prudential standards and other mandatory standards and limit for financial institutions, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, including on a consolidated basis;

5-1) excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication);

6) is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020);

6-1) monitor and supervise compliance by financial institutions, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan and the Development Bank of Kazakhstan with the procedure for automating accounting;

7) Is excluded by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication);

7-1) shall send its representative to participate in the general meeting of shareholders (participants) of financial organizations, banking and insurance holdings;

8) check the activities of financial organizations and other persons specified in paragraph 1 of Article 15-1 of this Law, in the cases and within the limits provided for by this Law and other laws of the Republic of Kazakhstan, including with involvement of the National Bank of the Republic of Kazakhstan and an audit organization;

8-1) verify the legal entities, applied to the authorized body with application on issuance of license on carrying out of activity on the financial market, in the cases and within the limits , provided by the Laws of the Republic of Kazakhstan;

8-2) shall carry out remote supervision, including on a consolidated basis, over the activities of financial organizations, their major participants, banking and insurance holdings, organizations belonging to the banking conglomerate and insurance group, branches of banks - non-residents 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, organizations guaranteeing the implementation of insurance payments in the manner, prescribed by the laws of the Republic of Kazakhstan;

9) apply to financial institutions and other entities, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, branches of insurance brokers that are non-residents of the Republic of Kazakhstan, limited enforcement measures, supervisory response measures, including the use of reasoned judgement, sanctions and other measures envisaged by the laws of the Republic of Kazakhstan, on issues within its competence, and also establishes the procedure for applying supervisory response measures;

9-1) apply methods for assessing risks arising in the activities of banks, bank holdings, banking conglomerates, insurance (reinsurance) organizations, insurance groups, insurance holdings, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan, organizations engaged in brokerage and (or) dealer activities in the securities market and (or) investment portfolio management activities;

10) excluded by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall come into force on 01.07.2026);

11) exercise control over the activities of provisional administrations, liquidation commissions of financial organisations, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan in the cases prescribed by the legislative acts of the Republic of Kazakhstan;

12) publishes in the media information on financial institutions, branches of banks that are non-residents of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations that are non-residents of the Republic of Kazakhstan, branches of insurance brokers that are non-residents of the Republic of Kazakhstan, collection agencies, credit bureaus, operators of electronic trading platforms for the sale of banking and microfinance assets (except for information constituting an official, commercial, banking or other secret protected by law), including information on measures taken against them;

12-1) is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty-one calendar days after the day its first official publication);

12-2) is excluded by the Law of the Republic of Kazakhstan dated 29.03.2016 № 479-V (

shall be enforced upon expiry of twenty-one calendar days after the day its first official publication).

13) apply a risk-based approach in the supervision and oversight of the activities of banks, banking conglomerates, organisations engaged in certain types of banking operations, insurance (reinsurance) organisations, insurance groups, branches of non-resident banks in the Republic of Kazakhstan, branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan, and organisations involved in brokerage and/or dealing activities on the securities market, activities involving the management of investment portfolios and microfinance organisations, including the exercise of professional judgement in the cases referred to in paragraph 2 of Article 13-5 of this Law;

14) introduce a special regulatory regime in relation to financial organizations and (or) other legal entities and regulate their activities within the competence;

15) excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication);

16) performs the functions of the branch center for information security of the financial market and financial organizations, 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;

17) analyzes information about information security incidents of banks, branches of non–resident banks of the Republic of Kazakhstan and organizations engaged in certain types of banking operations, including information about violations, failures in information systems ;

18) carry out development of Islamic financing, taking into account international standards of Islamic financial instruments and Islamic financial services independently and (or) jointly with other state bodies of the Republic of Kazakhstan within their competence, as well as with organizations;

19) monitor banks' fulfilment of obligations undertaken as part of measures to restore the financial health of second-tier banks, including those financed from the state budget, the National Bank of the Republic of Kazakhstan and/or its subsidiaries;

19-1) perform a preliminary procedure to identify banks' non-marketable assets that are eligible to be accepted by the National Bank of the Republic of Kazakhstan as collateral for a loan of last resort (pre-collateralisation), and monitor non-marketable assets subject to pre-collateralisation;

20) carry out implementation of programs for refinancing housing mortgage loans and mortgage loans to individuals carried out through subsidiaries of the National Bank of the Republic of Kazakhstan, as well as control over the fulfillment of obligations taken under these programs by banks;

20-1) monitor and supervise compliance of financial institutions with information security requirements within its competence;

20-2) within the limits of its remit, exercise control and supervision over the use of artificial intelligence systems by financial institutions, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, and branches of non-resident insurance brokers in the Republic of Kazakhstan;

21) carry out other functions and powers provided for by this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

2. The authorized body shall have the right to conduct inspections of financial institutions and their affiliates, 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, including with the involvement of audit organizations, appraisers and specialists in the field of financial technologies for the purpose of:

1) determining the financial condition of financial institutions and their affiliates, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan;

2) determination of compliance with the legislation of the Republic of Kazakhstan with the management structure and decision-making procedures of financial organizations and their affiliates, branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan;

3) determination of affiliated individuals of financial institutions, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan;

4) revelation and prevention of violations of rights of consumers of financial services;

5) revelation and prevention of unauthorized activity on provision of financial services or issuance of financial instruments;

6) identification and/or prevention of risks inherent in information technology when performing financial transactions;

7) assessing the objectivity of determining the value of financial instruments.

2-1. Within the limits of its competence, the authorised body shall exercise control and supervision over compliance by financial organisations, branches of non-resident banks in the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations in the Republic of Kazakhstan, branches of non-resident insurance brokers in the Republic of Kazakhstan, the National Postal Operator, and issuers of digital financial assets specified in sub-paragraphs 2) and 3) of Article 5 of the Law of the Republic of Kazakhstan “On Digital Assets in the Republic of Kazakhstan”, and the requirements of the laws of the Republic of Kazakhstan on combating the laundering of proceeds of crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

2-2. The authorized body shall have the right to have its representative in banks, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan, bank holdings managing the investment portfolio, insurance (reinsurance) organizations, insurance holdings, an organization guaranteeing the implementation of insurance payments to policyholders (insured, beneficiaries) in case of liquidation of insurance organizations (hereinafter referred to as the representative), in order to carry out supervisory functions.

2-3. Within the limits of its competence, the authorised body shall monitor and supervise compliance by banks and branches of non-resident banks in the Republic of Kazakhstan with the macroprudential standards and limits set by the National Bank of the Republic of Kazakhstan.

3. In addition to the functions and powers provided for in paragraphs 1, 2, 2-1 and 2-2 of this Article, the authorized body shall exercise other powers on state regulation, control and supervision of financial organizations, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan, banking and insurance holdings, banking conglomerates and insurance groups, taking into account the peculiarities provided for by Articles 10-13 of this Law, as well as other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

4. The authorized body shall not have a right to intervene in the activity of financial organizations, except for the cases, provided by the legislative acts of the Republic of Kazakhstan.

5. The authorized body, for the purposes of granting a loan of final instance by the National Bank of the Republic of Kazakhstan, shall submit the following information to the National Bank of the Republic of Kazakhstan:

1) a conclusion on expediency of providing a loan of final instance and compliance of the bank with the requirements provided for in subparagraph 1) of paragraph 1 of Article 51-3 of the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan ", for consideration of the issue for providing a loan of final instance by the Board of the National Bank of the Republic of Kazakhstan;

2) on determination of the bank's assets acceptable for acceptance by the National Bank of the Republic of Kazakhstan as collateral under the contract of loan of final instance;

3) on the current state of assets of the bank accepted and (or) having accepted as collateral under the contract of loan of final instance;

4) a list of second-tier banks for making a decision on the sale of assets that are collateral under the contract of loan of final instance;

6. The revocation of decisions by the authorised body to withdraw the licence of a financial institution, a branch of a non-resident bank of the Republic of Kazakhstan, a branch of a non-resident insurance (reinsurance) organisation of the Republic of Kazakhstan, or a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan of their licence to conduct all types of operations and activities, and on the application of a resolution regime and resolution tools to the bank, as well as decisions of the bank's provisional administration or of an insurance (reinsurance) organisation regarding the transfer of the bank's assets and liabilities or the transfer of the insurance portfolio shall not entail any changes to or termination of the legal consequences arising from the adoption of such decisions.

Footnote. Article 9 as amended by the Laws of the Republic of Kazakhstan dated 11.06.2004 № 562; dated 23.12.2005 № 107 (the order of enforcement see Article 2 of the Law № 107); dated 31.01.2006 № 125; dated 05.05.2006 № 139 (the order of enforcement see Article 2 of the Law of the Republic of Kazakhstan №139); dated 19.02.2007 № 230 (the order of enforcement see Article 2); dated 28.08.2009 № 192-IV (shall be enforced from 08.03.2010); dated 19.03.2010 № 258-IV; dated 15.07.2010 № 338-IV (the order of enforcement see Article 2); dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 28.12.2011 № 524-IV(shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.06.2013 № 106-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after its first official publication); dated 10.06.2014 № 206-V (shall be enforced upon expiry of six months after its first official publication); dated 24.11.2015 № 422-V (shall enter into force from 16.12.2020);dated 29.03.2016 № 479-V (shall be enforced upon expiry of twenty one calendar days after the day its first official publication); dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2018 № 168-VI (the order of enactment see Art. 2); dated 03.07.2019 № 262 (shall be enforced from 01.01.2020); dated 03.07.2020 № 359-VI (shall enter into force from 01.01.2021); dated 02.01.2021 № 399-VI (the order of the entry into force see Article.2); dated 14.07.2022 № 141-VII (shall enter into force upon expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 19.06.2024 № 97-VIII (shall come into force sixty calendar days after the date of its first official publication); dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication); № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 9-1. The task, functions, rights and obligations of representative

Footnote. The Law is supplemented by Article 9-1 in accordance with the Law of the republic of Kazakhstan dated 15.07.2010 № 338-IV (the order of enforcement see Article 2); is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 9-2. Remote supervision

Footnote. The Law is supplemented by Article 9-2 in accordance with the Law of the republic of Kazakhstan dated 15.07.2010 № 338-IV (the order of enforcement see Article 2); is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 9-3. Risk-oriented approach in the framework of control and supervision

Footnote. The Law is supplemented by Article 9-3 in accordance with the Law of the republic of Kazakhstan dated 15.07.2010 № 338-IV (the order of enforcement see Article 2); is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 9-4. Requirements applicable to senior executives of a bank, an insurance (reinsurance) organisation, an insurance broker, a branch of a non-resident bank of the Republic of Kazakhstan, a branch of a non-resident insurance (reinsurance) organisation of the Republic of Kazakhstan, a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan, a unified accumulative pension fund, a voluntary pension savings fund, the Insurance Payments Guarantee Fund Joint Stock Company, a professional participant in the securities market, or a banking or insurance holding company

1. For the purposes of this article:

1) a market entity shall be understood to mean a bank, an insurance (reinsurance) organisation, an insurance broker, a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation 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, a unified accumulative pension fund, a voluntary pension savings fund, the Insurance Payments Guarantee Fund (hereinafter – the Fund), a professional participant in the securities market, banking or insurance holding companies;

2) a branch shall be understood to mean a branch of a bank that is not a resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan, or a branch of an insurance broker that is not a resident of the Republic of Kazakhstan;

3) a candidate for a managerial position shall mean a natural person intending to hold a managerial position within a market participant, or a person elected to serve as a member of a market participant’s governing body;

4) a managerial position shall mean the following positions:
a managing employee of a financial institution or branch;
the head of a structural unit of a financial institution, the coordination and/or supervision of whose activities may be carried out directly by the management body, the head, a member of the executive body or another senior officer of the financial institution;
the head of a branch's structural unit, whose activities are coordinated and/or supervised directly by the head, deputy head or another senior member of staff of the branch;
the first executive, their deputy, the head, or the deputy head of an independent structural unit of a government body dealing with financial services regulation and/or state regulation and supervision of auditing activities conducted by financial institutions;
a political civil servant in charge for shaping government policy in the fields of the economy, finance, or public audit and financial control;
the head of a governing body, the head of an executive body, and their deputy in charge of financial issues and/or the activities of subsidiary financial institutions, the national holding company, the Development Bank of Kazakhstan, the Special Fund for the Development of Private Enterprise, and the Export-Credit Agency of Kazakhstan;
the first head, their deputy, the head, or the deputy head of an independent organisational unit:
of international financial organisations, the list whereof is established by the authorised body;
organisations that audit financial institutions, including foreign organisations and legal entities;
organisations engaged in the development of software used to automate the operations of financial institutions;
another head of a financial institution or branch who oversees one or more departments whose activities relate to the provision of financial services.
2. To be appointed (or elected) to a senior management position within a market entity, a natural person must:
1) have an impeccable professional reputation;
2) a higher education qualification;
3) relevant work experience of:
at least five years for a head of a management body;
at least two years for a member of a management body;
a head or member of a governing body who is a member of the executive body of a parent financial institution, a head of an executive body (a person acting alone in the capacity of the executive body), or a head of a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan – for at least five years, including at least three years in a managerial position;

the deputy head, members of the executive body, and the deputy head of a branch of a bank that is a non-resident of the Republic of Kazakhstan, the deputy head of a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, the head of an insurance broker, their deputy, the head of a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan, and their deputy – at least three years, including at least two years in a managerial position;

chief accountant – at least three years;

deputy chief accountant – at least two years;

other senior executives – at least one year.

No work experience shall be demanded for:

candidates for positions as members of the executive body of a financial institution, banking or insurance holding company, who are responsible exclusively for security issues, administrative and operational matters, or information technology matters;

a member of the Government of the Republic of Kazakhstan, a deputy head of a central executive body of the Republic of Kazakhstan who is a candidate for the post of head of the management body of an insurance (reinsurance) organisation, a professional participant in the securities market, a voluntary pension savings fund, more than fifty per cent of whose issued shares are directly or indirectly owned by the State and/or a national holding company, or a unified accumulative pension fund;

the head or deputy head of an independent structural unit of the central executive body exercising management and inter-sectoral coordination in the field of social protection as per the laws of the Republic of Kazakhstan, who is a candidate for the position of member of the governing body of the unified accumulative pension fund;

the head of the governing body or executive body of a national managing holding company, as well as their deputy in charge of financial issues and/or the activities of the national managing holding company's subsidiary financial organisations, who is a candidate for the position of head or member of the governing body of a financial organisation, more than fifty per cent of the issued shares thereof are directly or indirectly owned by the national managing holding company;

4) evidence that, within the ten years preceding the date of applying for approval to take up a senior management position, the person was not a director, a member of a governing body, a head of an executive body, a deputy head of an executive body or a member of an executive body, a chief accountant or a deputy chief accountant of a financial organisation, or a director, a deputy director, a chief accountant or a deputy chief accountant of a branch of a bank that is not a resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation 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, a major shareholder who is a natural person, or the head of a major shareholder (banking holding company) that is a legal entity of a financial organisation, including a financial organisation that is a

non-resident of the Republic of Kazakhstan, within a period of no more than one year prior to :

the imposition of a resolution regime on a bank;

the revocation of a financial institution's licence, including that of a financial institution which is not a resident of the Republic of Kazakhstan or a branch thereof, resulting in their liquidation and/or the cessation of their activities in the financial market;

the entry into force of a court order for the compulsory liquidation of a financial institution, including a financial institution that is not resident in the Republic of Kazakhstan, or for its declaration as bankrupt, as established by the laws of the Republic of Kazakhstan and the laws of the state where the financial institution that is not resident in the Republic of Kazakhstan is resident;

the entry into force of a court order for the compulsory closure of a branch of a bank that is a non-resident of the Republic of Kazakhstan, or a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, in the cases established by the laws of the Republic of Kazakhstan.

The requirement of this sub-paragraph shall not apply to senior management of a systemically important bank under resolution, or of a stabilisation bank to which the assets and liabilities of a systemically important bank under resolution are transferred, appointed (elected) after the Government of the Republic of Kazakhstan or the national holding company has taken a decision to acquire shares in a systemically important bank under resolution, or in a stabilisation bank to which the assets and liabilities of a systemically important bank under resolution are transferred;

5) the absence, during the twelve months preceding the date of submission of the application for approval of appointment to a senior management position, any instances of the withdrawal of consent to the appointment (election) of the person to the position of senior executive and/or their removal from their official duties in this and/or another market entity due to the application of a supervisory response measure;

6) evidence that:

the person has not been convicted of a corruption offence by a court judgment that has become final;

the person has not, during the three years preceding the date of applying for approval for the post of a senior official, been exempted from criminal liability for committing a corruption offence under paragraphs 3), 4), 9), 10) and 12) of Part 1 of Article 35 or Article 36 of the Criminal Procedure Code of the Republic of Kazakhstan, nor have they been held administratively liable for committing administrative corruption offences;

7) evidence that, during the five years preceding the date of applying for approval to take up a senior management position, the person was not a senior executive of a financial organisation – an issuer, a major shareholder (significant shareholder) – a natural person, a director, a member of the management body, a director, a member of the executive body, or

the chief accountant (or their deputy) of a major shareholder (major shareholder) – a legal entity – issuer that has defaulted on the payment of coupon interest on issued securities, where one of the following circumstances applies:

the non-payment of coupon interest on issued equity securities continued for four or more consecutive periods;

the amount of outstanding coupon payments on issued securities that had defaulted was four times or more the amount of the coupon payment;

the amount of the default on the principal debt under the issued equity securities was ten thousand times the monthly reference figure set by the law on the republican budget as at the date of payment.

3. When calculating length of service, the following periods of employment shall be considered:

in the area of financial services, including in foreign organisations and legal entities;

in the regulation, control and supervision of the financial market and financial organisations, including in foreign organisations;

on the auditing of financial institutions, the regulation of auditing services for financial institutions, including those located abroad, and legal entities;

in positions as political civil servants involved in shaping public policy in the fields of the economy, finance, or public audit and financial control;

in the National Management Holding, the Development Bank of Kazakhstan, the Special Fund for the Development of Private Enterprise, and the Export-Credit Agency of Kazakhstan , in the positions referred to in indent 7 of sub-paragraph 4 of paragraph 1 of this article;

in international financial organisations, the list thereof being established by the authorised body;

in the development of software used to automate the operations of financial organisations;

as an actuary licensed to practise actuarial activities in the insurance market;

in organisations licensed to render financial services within the Astana International Financial Centre.

When calculating length of service, the following shall not be included: work in a financial institution or branch associated with security, administrative and operational activities, or the development of information technology (excluding the head of a department responsible for the development of information technology and/or information security), or work in a mutual insurance society.

The specific requirements regarding work experience for candidates for managerial positions who hold professional qualifications certified by international certificates, and the list of such certificates, shall be established by a regulatory legal act issued by the authorised body.

The length of service specified in the eighth, ninth and tenth indents of the first part of this paragraph shall not apply to candidates for the position of senior executive at a bank or a branch of a bank that is not resident in the Republic of Kazakhstan.

The requirement set out in indent eight of part one of this paragraph shall not apply to candidates for the position of senior executive at a professional securities market participant.

The provisions of this paragraph shall not apply to candidates for the position of head or member of the management body of a banking or insurance holding company.

4. A person who does not satisfy the requirements laid down in Article 46 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan " may not serve as a member of the board of directors – an independent director of the bank.

A person who has a special relationship with an insurance (reinsurance) organisation, and/ or who has had such a relationship within the three years preceding the date of applying for approval of their appointment to the post, may not serve as a member of the board of directors – an independent director – of that insurance (reinsurance) organisation.

A member of the board of directors who is an independent director may not hold the said position in a single bank, insurance (reinsurance) organisation, unified accumulative pension fund, voluntary pension savings fund, professional securities market participant, or a fund for more than nine consecutive years from the date of their first appointment, unless otherwise required by a regulatory legal act of the authorised body.

5. A major shareholder of a bank, insurance (reinsurance) company or investment portfolio manager may not be chosen as the head of the executive body of that bank, insurance (reinsurance) company or investment portfolio manager.

The executive body of a market entity established as a stock company must consist of at least three members.

6. No person may perform the functions of a senior executive of a market participant without the relevant consent of the authorised body, excluding:

a member of the management body, but for no longer than sixty calendar days from the date of their appointment (election);

senior management of an entity acquiring the status of a banking or insurance holding company, but no later than sixty calendar days from the date the entity acquires the attributes of a banking or insurance holding company, if the authorised body has consented to the acquisition of such status.

7. A person may be reappointed (elected) to the position of a member of the governing body of a market participant, excluding a branch, no earlier than ninety calendar days after, but no more than twice within a period of twelve consecutive months, following:

receipt of a refusal from the authorised body to grant consent to the appointment (election) to a senior management position;

the termination of a member's term of office on the governing body prior to the authorised body granting its consent;

the expiry of the period set forth in paragraph 6 of this Article and the failure to file documents for approval.

The prohibition established in this paragraph shall not apply to banking and insurance holding companies.

8. No person who does not satisfy the requirements of this Article and has not been approved by the authorised body may perform the duties (or stand in for a temporarily absent) of a senior executive of a market participant, save where such duties are assigned for a period not exceeding sixty calendar days:

the head of the executive body to a person who has the consent of the authorised body for appointment (election) as a member of the executive body;

the chief accountant to a person who has the consent of the authorised body for appointment (election) as deputy chief accountant.

The duties of the head of an executive body or the chief accountant (in the absence of the incumbent) may not be assigned to the persons listed in part one of this paragraph, due to the absence of a candidate agreed with the authorised body for a total of more than one hundred and eighty calendar days within a period of twelve consecutive months.

Upon expiry of the period referred to in part one of this paragraph and paragraph 6 of this article, and in the event of failure to file a complete set of documents with the authorised body for approval, or if the authorised body refuses to grant approval, a candidate for a senior management position shall not be entitled to exercise the powers of a senior executive.

9. The head of an executive body or the chief accountant of a bank or an insurance (reinsurance) organisation may not hold the position of a member of the executive body (head or deputy head of a branch of a bank that is a non-resident of the Republic of Kazakhstan, or a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan), chief accountant in other banks, insurance (reinsurance) organisations, including those that are non-residents of the Republic of Kazakhstan, branches of banks that are non-residents of the Republic of Kazakhstan, or branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan.

This restriction shall not apply if:

the banks are parent and subsidiary organisations in relation to one another;

the insurance (reinsurance) organisations are parent and subsidiary organisations in relation to one another.

The head, deputy head or chief accountant of a branch may not hold the position of:

a senior executive in a financial institution or in other branches;

the head of an executive body or a person acting alone in the capacity of the executive body of a legal entity.

10. When appointing (electing) senior executives, the market participant shall independently verify that they satisfy the requirements of this Article, having regard, inter alia , to the information published on the authorised body's website.

11. The authorised body shall review the documents filed for approval of the appointment (election) to a senior management position within thirty working days of the date on which a complete set of documents is presented pursuant to the requirements of the authorised body’s regulatory legal acts.

The procedure for obtaining the consent of the authorised body for the appointment (election) of a senior executive, including the criteria regarding the absence of an impeccable professional reputation, the documents required to obtain consent, specific requirements regarding work experience for candidates possessing professional qualifications confirmed by international certificates, and the list of such certificates shall be established by a regulatory legal act of the authorised body.

A fee shall be levied for the granting of consent to the appointment (election) to a senior management position, excluding the position of a senior executive at a professional securities market participant, a unified accumulative pension fund or a voluntary pension savings fund; the amount of such fee and the procedure for its payment shall be governed by the tax legislation of the Republic of Kazakhstan.

The evaluation of the business reputation of a senior executive (or a candidate for a senior executive position) shall be made by an authorised body, including through the exercise of reasoned judgement, pursuant to Article 13-5 of this Law.

The authorised body shall suspend the period for reviewing the documents listed in part one of this paragraph whilst it is forming a reasoned opinion regarding the candidate for the post of senior executive. The specified period shall be interrupted from the moment the draft reasoned opinion is sent to the person who supplied the documents for the approval of the candidate for the post of senior executive until the date the authorised body adopts the reasoned opinion.

When formulating and applying a reasoned decision, the authorised body shall send the relevant notification to the market entity.

12. A person who has obtained the consent of the authorised body for appointment (election) to a senior management position may be appointed (elected) to the agreed position within twelve months of receiving such consent.

A senior executive who has the consent of the authorised body for appointment (election) to the post of a senior executive may be appointed to the agreed post within twelve months of the date on which the senior executive’s term of office ended without having to obtain the consent of the authorised body again, unless such consent has expired.

A person approved by the authorised body for the position of a member of the board of directors – an independent director of a financial institution – within twelve months of the date of termination of their term of office may be re-elected to the said position in that financial organisation without obtaining the consent of the authorised body, subject to their compliance with the requirements set out in this Article and sub-paragraph 20) of Article 1 of the Law of the Republic of Kazakhstan “On Joint-Stock Companies”.

13. The consent of the authorised body to the appointment (election) of a senior executive shall cease to have effect in the following cases:

1) failure to appoint (elect) the agreed candidate to the post of senior executive within the time limits specified in paragraph 12 of this article;

2) withdrawal by the authorised body of its consent to the appointment (election) to the post of senior executive.

14. The authorised body shall refuse to grant consent to the appointment (election) of a senior executive on the following grounds:

1) the candidate for the position of senior executive does not meet the requirements laid down in this Article, sub-paragraph 20 of Article 1, paragraph 4 of Article 54, paragraph 2 of Article 59 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and Article 9 of the Law of the Republic of Kazakhstan "On Accounting and Financial Reporting";

2) a negative test result.

The following shall be considered negative test results:

a candidate for a managerial position achieves a score of less than seventy per cent correct answers;

a breach by a candidate for a senior management position of the testing procedure established by the authorised body;

failure to attend the test at the appointed time prior to the expiry of the period for the authorised body's approval of the candidate for a senior management position;

3) failure to address the comments of the authorised body or to submit documents revised in light of the comments of the authorised body prior to the expiry of the time limit specified in paragraph 6 of this Article and in the regulatory legal act of the authorised body;

4) a failure to follow the procedure for the election (appointment) of a candidate for a senior management position as laid down by the legislation of the Republic of Kazakhstan;

5) failure to submit the documents within the period specified in paragraph 6 of this Article, during which the senior executive holds their post without the approval of the authorised body;

6) whether the authorised body has information regarding actions taken by a candidate for a senior management position that are deemed to have been carried out with the intention of manipulating the securities market and/or have resulted in damage to a third party (third parties).

This requirement shall apply for a period of one year from the date of the earliest of the following events:

the authorised body's determination that the actions of a candidate for a senior management position have been committed for the purpose of manipulating the securities market;

the receipt by the authorised body of information confirming that such acts have caused damage to a third party (third parties);

7) the authorised body has information that a candidate for a senior management position was a senior executive (or a person acting in that capacity) of a financial institution, in respect thereof, for actions recognised as having been committed for the purpose of manipulating the securities market, the authorised body has applied supervisory response measures and/or imposed an administrative penalty under Article 259 of the Code of the Republic of Kazakhstan on Administrative Offences;

8) the authorised body has information stating that the candidate for a senior management position was a senior executive (or a person acting in that capacity) of a financial institution, a stock exchange trader, whose actions resulted in damage to a financial organisation and/or a third party (or third parties) involved in the transaction;

9) the authorised body has information showing that the candidate for a senior management position was a stock exchange trader whose responsibilities included making decisions on issues that led to the breaches referred to in sub-paragraph 7 of this paragraph.

The requirements laid down in sub-paragraphs 7), 8) and 9) of this paragraph shall apply for a period of one year from the date of the earliest of the following events:

the recognition by the authorised body that a financial institution's actions were carried out with the intention of manipulating the securities market;

the receipt by the authorised body of information confirming that the actions of a candidate for a senior management position have caused damage to a financial institution and/or a third party (third parties).

The information mentioned in sub-paragraphs 6), 7), 8) and 9) of the first part of this paragraph shall also include information received by the authorised body from the financial supervisory authority of the state in which the non-resident financial organisation of the Republic of Kazakhstan is resident.

15. In the event of two consecutive refusals by the authorised body to grant consent to the appointment (election) to a senior management position:

1) documents regarding the approval of a candidate for a senior management position may be resubmitted to the authorised body after a period of twelve consecutive months has elapsed from the date on which the authorised body issued its second decision refusing to grant approval for the candidate's appointment (election);

2) a member of the governing body of a financial institution may be elected as a senior executive of that financial institution twelve consecutive months after the date on which the authorised body adopted a decision to refuse consent to their election for a second time.

16. The authorised body shall revoke its consent to the appointment (election) to a senior management position on the following grounds:

1) failure by a senior executive to satisfy the requirements set out in this Article, Article 16-2 of the Law of the Republic of Kazakhstan "On Insurance Activities", sub-paragraph 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 the authorised body;

2) identification of inaccurate information based on which consent was given;

3) application by the authorised body of the supervisory response measure envisaged in sub-paragraph 11) of paragraph 1 of Article 80 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", sub-paragraph 11) of paragraph 1 of Article 53-3 of the Law of the Republic of Kazakhstan "On Insurance Activities", sub-paragraph 10) of paragraph 1 of Article 3-5 of the Law of the Republic of Kazakhstan "On the Securities Market" and paragraph 2 of Article 3-1 of the Law of the Republic of Kazakhstan "On the Insurance Payments Guarantee Fund";

4) failure or improper performance by an insurance (reinsurance) organisation, or a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan, of its obligations to pay compulsory or extraordinary contributions, as well as initial one-off and additional contributions, to the organisation guaranteeing the payment of insurance benefits to policyholders (insured persons, beneficiaries) in the event of the liquidation of insurance organisations, on two or more occasions within the last twelve months;

5) failure to perform or improper performance by a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, an insurance (reinsurance) organisation, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, or an organisation engaged in brokerage activities on the securities market, of its obligations to pay mandatory contributions and/or other payments to the Financial Ombudsman's Office on two or more occasions within the last twelve months;

6) failure by a bank, a branch of a bank that is a non-resident of the Republic of Kazakhstan, an insurance (reinsurance) organisation, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, or an organisation engaged in brokerage activities on the securities market, on two or more occasions within the last twelve months, to comply with the decision of the Financial Ombudsman within the time limit specified by the decision;

7) failure by an insurance (reinsurance) organisation, a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan, on two or more occasions within a consecutive twelve-month period, of requirements to provide information to the unified insurance database, including the distortion and/or incomplete and/or untimely provision of such information;

8) failure to adhere to the requirements set out in this article.

The withdrawal by the authorised body of its consent to the appointment (election) of a senior executive to a position constitutes grounds for the withdrawal of any consent previously granted to that senior executive in other market entities.

The powers of a senior executive whose appointment (election) to the post of senior executive has been revoked by the authorised body shall cease upon receipt of such revocation.

17. A market participant must terminate the employment contract with a senior executive and/or take other measures to terminate their powers in the event that:

1) the revocation by the authorised body of consent to the appointment (election) to a senior management position;

2) a breach of the procedure for the election (appointment) of a candidate to a senior management position as laid down by the laws of the Republic of Kazakhstan;

3) failure by the authorised body to approve the appointment of a person recognised as a senior executive based on the reasoned opinion of the authorised body to the post of senior executive.

18. A market entity (excluding banking and insurance holding companies) shall notify the authorised body of any changes involving senior management, including (regarding):

the appointment (election) of a senior executive, or their transfer to another post;

the termination of an employment contract and/or the termination of a senior executive’s powers;

the imposition of criminal or administrative liability on a senior executive for committing a corruption offence;

a change to the surname, first name or patronymic (if stated on the identity document) of a senior executive.

19. The requirements herein shall not apply to senior executives of banking holding companies that are non-residents of the Republic of Kazakhstan or insurance holding companies that are non-residents of the Republic of Kazakhstan, subject to one of the following conditions being met:

banking and insurance holding companies must hold an individual credit rating of at least “A”- from one of the rating agencies listed by the authorised body, as well as written confirmation from the financial supervisory authority of the country where the banking or insurance holding company is resident, insurance holding companies are resident, confirming that such holding companies are subject to consolidated supervision;

the existence of an information-sharing agreement between the authorised body and the financial supervisory authority of the state where the banking and insurance holding companies are resident, as well as the fact that the banking and insurance holding companies hold the minimum required rating from one of the rating agencies. The minimum rating and the list of rating agencies shall be established by a regulatory legal act of the authorised body.

20. The requirements of this Article, excluding sub-paragraphs 1) and 4) 5) and 7) of paragraph 2 of this Article, shall not apply to:

a banking holding company that indirectly holds shares in a bank and/or derivative securities issued pursuant to the laws of the Republic of Kazakhstan or a foreign state, the underlying asset thereof being voting shares in the bank, through ownership and/or use, and/or the disposal of shares or equity interests in the authorised capital of a banking holding company – a resident of the Republic of Kazakhstan – which directly holds shares in the said bank and/or derivative securities issued under the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of the said bank;

an insurance holding company that indirectly holds shares in an insurance (reinsurance) organisation and/or derivatives issued in line with the laws of the Republic of Kazakhstan or a foreign state, the underlying asset of which is the voting shares of an insurance (reinsurance) organisation, through ownership and/or control, and/or the disposal of shares or equity interests in the authorised capital of an insurance holding company resident in the Republic of Kazakhstan that directly holds shares in the said insurance (reinsurance) organisation and/or derivative securities, issued under the laws of the Republic of Kazakhstan or a foreign state, the underlying asset thereof being voting shares of the said insurance (reinsurance) organisation.

Footnote. The Law has been supplemented with Article 9-4 under Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (see Article 2 for the enactment procedure).

Article 9-5. Procedure for granting consent to acquire the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company

1. Any person wishing to obtain approval to acquire the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company must apply to the authorised body for approval to acquire the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company in the form established by a regulatory legal act of the authorised body, enclosing the documents and information specified in paragraphs 8, 9, 10, 11, 13 and 14 of this Article.

2. A fee shall be paid to obtain approval for acquiring the status of a major shareholder in a bank, insurance (reinsurance) organisation, banking holding company or insurance holding company; the amount and method of payment of this fee shall be governed by the tax legislation of the Republic of Kazakhstan.

3. The rules governing the granting and withdrawal of consent for the acquisition of the status of a major shareholder in a bank, a banking holding company, a major shareholder in an insurance (reinsurance) organisation, an insurance holding company, or a major shareholder in an investment portfolio manager, as well as the requirements for the documents to be filed in order to obtain such consent, shall be established by a regulatory legal act of the authorised body.

4. Legal entities that are non-residents of the Republic of Kazakhstan may obtain the consent of the authorised body to acquire the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding

company or insurance holding company, if they or their parent organisation hold the minimum required rating from one of the rating agencies. The minimum rating and the list of rating agencies shall be established by a regulatory act of the authorised body.

The rating referred to in the first part of this paragraph shall not be required for a legal entity that is not a resident of the Republic of Kazakhstan and which intends to indirectly hold , use and dispose of a total of ten per cent or more of the voting shares in a bank, an insurance (reinsurance) organisation or an investment portfolio manager, including by means of derivative securities issued under the legislation of the Republic of Kazakhstan or a foreign state, the underlying asset thereof being voting shares of the bank, an insurance (reinsurance) organisation, or an investment portfolio manager (hereinafter, for the purposes of this Article, "shares"), or to exert indirect influence on decisions taken by the bank, an insurance (reinsurance) organisation, or an investment portfolio manager (by voting) through ten per cent or more of the bank's voting shares, an insurance (reinsurance) organisation that manages an investment portfolio via ownership of voting shares (stake in the authorised capital) of another legal entity that is not a resident of the Republic of Kazakhstan and is a major shareholder in a bank or a banking holding company, a major shareholder of an insurance (reinsurance) organisation or an insurance holding company, or a major shareholder of an investment portfolio manager who directly owns and/or holds, and/or controls, in aggregate, ten per cent or more of the bank's shares, an insurance (reinsurance) organisation, an investment portfolio manager and having the minimum required rating.

5. A non-resident legal entity of the Republic of Kazakhstan may be a shareholder in an investment portfolio manager engaged in the trust management of pension assets, provided it holds the minimum required rating from one of the credit rating agencies. The minimum required rating and the list of credit rating agencies shall be established by a regulatory legal act of the authorised body.

The shareholding of a non-resident individual of the Republic of Kazakhstan in the shares of an investment portfolio manager engaged in the fiduciary management of pension assets may not exceed ten per cent of the total number of voting shares of the investment portfolio manager engaged in the fiduciary management of pension assets.

6. A banking holding company that is a non-resident of the Republic of Kazakhstan, an insurance holding company that is not a resident of the Republic of Kazakhstan and which directly owns and/or uses and/or disposes of twenty-five per cent or more of the shares of a bank or an insurance (reinsurance) organisation may only be a financial organisation that is not a resident of the Republic of Kazakhstan, subject to the following conditions:

1) the non-resident financial institution in the Republic of Kazakhstan holds a valid licence (authorisation) to engage in financial activities under the laws of the state of which it is a resident, in cases where such a licence (authorisation) is required under the laws of that state;

2) the existence of consent (authorisation) to hold shares in a bank or an insurance (reinsurance) organisation operating within the territory of the Republic of Kazakhstan, issued by the financial supervisory authority of the state where the financial organisation is resident (but not a resident of the Republic of Kazakhstan), in cases where such consent (authorisation) is required under the legislation of that state;

3) the financial institution – a non-resident of the Republic of Kazakhstan – or its parent organisation must hold the minimum required rating from one of the rating agencies listed in a regulatory legal act issued by the authorised body;

4) a financial institution that is a non-resident of the Republic of Kazakhstan shall be subject to consolidated supervision in the country where it is a resident.

7. Major shareholders of a bank, insurance (reinsurance) company or investment portfolio manager who are natural persons shall pay for the shares of the bank, insurance (reinsurance) company or investment portfolio manager in an amount not exceeding the value of the property they own. Meanwhile, the value of the assets (net of the value of previously acquired shares in a bank, insurance (reinsurance) company or investment portfolio manager) must be no less than the aggregate value of the previously acquired and newly acquired shares in a bank, insurance (reinsurance) company or investment portfolio manager.

The funds used to acquire shares in a bank, an insurance (reinsurance) company or an investment portfolio manager may come from money held in the applicant's bank account or received by the applicant:

1) for a natural person:

as income from business, employment and/or other activities not prohibited by the laws of the Republic of Kazakhstan or the laws of a foreign state;

in the form of a gift, inheritance, winnings and/or the sale of property received free of charge or inherited – up to an amount not exceeding twenty-five per cent of the value of the shares acquired in a bank, insurance (reinsurance) organisation or investment portfolio manager;

2) for a legal entity:

as income or proceeds from business activities and/or other activities not prohibited by the legislation of the Republic of Kazakhstan or the legislation of a foreign state;

in the form of a contribution to the applicant's authorised capital.

For a legal entity that is a financial institution, the sources of funds used to acquire shares in a bank, an insurance (reinsurance) organisation or an investment portfolio manager may include the financial institution's own assets, subject to the condition that the acquisition of shares in a bank, insurance (reinsurance) organisation or investment portfolio manager does not result in the financial organisation breaching capital adequacy ratios, liquidity ratios or other standards (limits) established by the legislation of the state of which the financial organisation is a resident.

8. To obtain approval to acquire the status of a major shareholder in a bank, insurance (reinsurance) organisation or investment portfolio manager, a natural person must furnish the following documents and information:

1) copies of documents confirming the terms and procedure for acquiring shares in a bank, insurance (reinsurance) organisation or investment portfolio manager;

2) information regarding the sources (origin) of the funds used to acquire shares in a bank, insurance (reinsurance) company or investment portfolio manager, as well as copies of documents confirming this information.

Where a natural person acquires shares in a bank, an insurance (reinsurance) company or an investment portfolio manager using funds received as a gift or proceeds from the sale of property received free of charge, the applicant must also supply information regarding the donor and the sources of the donor’s funds and property;

3) information on legal entities where the applicant is a major shareholder, in the form prescribed by a regulatory act of the authorised body. Where the applicant is a major shareholder in a legal entity that is not resident in the Republic of Kazakhstan, copies of documents confirming the applicant’s major shareholding in that legal entity must be filed as well;

4) a recapitalisation plan for a bank, an insurance (reinsurance) organisation or an investment portfolio manager in the event of a potential deterioration in the financial position of the bank, insurance (reinsurance) organisation or investment portfolio manager;

5) details of income and assets, and data on outstanding debts in respect of all the applicant’s liabilities, in the form prescribed by a regulatory legal act of the authorised body.

A natural person who is a resident of the Republic of Kazakhstan must also file a copy of a declaration of assets and liabilities, drawn up as required by the tax legislation of the Republic of Kazakhstan, dated no earlier than thirty calendar days prior to the date of filing with the authorised body of an application for the status of a major shareholder in a bank, insurance (reinsurance) organisation or investment portfolio manager, bearing a stamp from the tax authority confirming receipt.

The information specified above shall be accompanied by the documents required for the analysis of the applicant’s financial position, as well as documents confirming the value of the property as estimated by an appraiser within the six months preceding the date of filing the application;

6) details on the applicant as per the form prescribed by the regulatory legal acts of the authorised body, including details of employment history and an impeccable business reputation.

To confirm their impeccable business reputation, natural persons who are non-residents of the Republic of Kazakhstan must furnish documents certifying that they have no outstanding or unexpunged criminal convictions, issued by the competent state authority of their country of citizenship and their country of permanent residence, and stateless persons – from the country of their permanent residence (the date of issue of the aforementioned documents must not be more than six months prior to the date of filing the application);

7) a copy of the document confirming payment of the consent fee.

The document mentioned in indent one of this sub-paragraph shall not be provided in the following case:

payment via the e-government payment gateway;

obtaining approval to acquire the status of a major participant managing an investment portfolio.

9. Where a natural person or legal entity satisfies the criteria for being a major shareholder of a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company without obtaining the prior written consent of the authorised body, based on a donation agreement, a trust management agreement or as a result of inheriting such a position, the following must be additionally enclosed to the application for the acquisition of the relevant status:

1) copies of documents confirming the terms and conditions of gifts, trust management and inheritance in relation to shares in a bank, an insurance (reinsurance) organisation or an investment portfolio manager;

2) the documents mentioned in sub-paragraphs 3), 4), 5), 6) and 7) of paragraph 8 of this article;

3) the documents listed in sub-paragraph 7 of paragraph 10 of this Article – where the applicant is a legal entity;

4) the document referred to in sub-paragraph 3 of paragraph 11 of this Article – where the applicant is a legal entity that is not a resident of the Republic of Kazakhstan;

5) details on the value of the shares that are the subject of a gift agreement, a trust management agreement or an inheritance, as established by a valuer under the laws of the Republic of Kazakhstan, along with copies of supporting documents.

To obtain approval to acquire the status of a major shareholder in a bank, insurance (reinsurance) company, investment portfolio manager, banking holding company or insurance holding company, an applicant who has acquired shares in a bank, an insurance (reinsurance) organisation or an investment portfolio manager through a gift or inheritance must be the owner of assets whose market value, net of the value of any previously received (acquired) shares in the bank, insurance (reinsurance) organisation or investment portfolio manager, must be no less than the amount of financial investments, which may be required of the applicant to restore the financial position of the bank, insurance (reinsurance) organisation or investment portfolio manager as per the recapitalisation plan for the bank, insurance (reinsurance) organisation or investment portfolio manager.

Where a person satisfy the criteria for being a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company without obtaining the prior written consent of the authorised body

, that person shall not be entitled to take any action aimed at influencing the management and/ or strategy (policy) of the bank, an insurance (reinsurance) organisation, an investment portfolio manager, and/or to exercise voting rights in respect of such shares until it has obtained the written consent of the authorised body under the provisions hereof.

In such cases, a person who satisfy the criteria for being a major shareholder of a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company, insurance holding company, must notify the authorised body within ten calendar days of becoming aware that they meet the criteria of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company.

An application for the relevant status must be filed to the authorised body within thirty calendar days of the date on which the applicant became aware that it satisfies the criteria for being a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company, unless that person intends to dispose of the shares within the specified period. Information concerning the decision to dispose of shares must be furnished to the authorised body immediately upon the date on which such a decision is taken.

Where the authorised body refuses to grant consent to a person who meets the criteria for a major shareholder of a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company, within six months of receiving written notification, such a person shall reduce the number of shares held in the bank or insurance (reinsurance) organisation, the investment portfolio manager to a level at which the person would no longer meet those criteria.

10. To obtain approval to acquire the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company, a legal entity resident in the Republic of Kazakhstan must file the following documents and data:

1) a copy of the decision by the applicant's authorised body regarding the acquisition of shares in a bank, insurance (reinsurance) company or investment portfolio manager (if the decision is not available on the financial reporting depository's website);

2) details of persons who directly or indirectly hold ten per cent or more of the applicant's shares (or equity interests in the authorised capital), and of persons exercising control over the applicant, as required by the regulatory act of the authorised body, accompanied by copies of documents confirming such details;

3) a list of the applicant's related parties (if no such list is available on the financial reporting depository's website);

4) the documents and information mnetioned in sub-paragraphs 1), 3), 4) and 7) of paragraph 8 hereof;

5) brief details of the applicant's senior management employees in the format prescribed by the regulatory act of the authorised body, including details of their employment history and impeccable business reputation.

In respect of the applicant's senior executives who are non-residents of the Republic of Kazakhstan, as proof of their impeccable business reputation, the applicant must file documents confirming that they have no outstanding or unexpunged criminal convictions, issued by the competent state authority of their country of citizenship and their country of permanent residence, and, in the case of stateless persons, the country of their permanent residence (the date of issue of the said documents must not be more than six months prior to the date of filing the application.

6) copies of the applicant's annual financial statements (consolidated financial statements if the applicant has subsidiaries) for the last two financial years, certified by audit reports, as well as a copy of the applicant's financial statements for the last completed quarter prior to filing the application.

If, between 1 January and 1 June of the current year, there is no auditor's report confirming the financial statements for the last completed financial year, the applicant shall furnish copies of the financial statements (consolidated financial statements if the applicant has subsidiaries) for the last completed financial year and the last completed quarter prior to filing the application, as well as copies of the annual financial statements (consolidated financial statements if the applicant has subsidiaries), certified by audit reports, for the two years preceding the last completed financial year.

The financial statements mentioned in this sub-paragraph may not be furnished if:

such financial statements are published on the website of the financial statements depository;

if the applicant has been registered as a legal entity for less than one year and a major shareholder of the applicant is a person who holds the status of a major shareholder in the financial institution for which the applicant has filed an application to acquire the status of a major shareholder;

7) copies of documents confirming the person's authority to apply and the documents attached thereto.

11. To obtain approval to acquire the status of a major shareholder in a bank, an insurance (reinsurance) organisation, or an investment portfolio manager of a banking holding company or an insurance holding company, a legal entity that is a non-resident of the Republic of Kazakhstan must furnish the following documents and information:

1) the documents and details referred to in paragraph 10 of this article;

2) notarised copies of the constituent documents;

3) a copy of the consent (authorisation) to hold shares in a bank, insurance (reinsurance) organisation or investment portfolio manager operating within the Republic of Kazakhstan, issued by the competent state authority (financial supervisory authority) of the country

whereof the applicant is a resident, or a copy of a confirmation from the competent state authority (financial supervisory authority) of the country where the applicant is resident, stating that such consent (authorisation) is not required;

4) a copy of the licence (authorisation) authorising the applicant to engage in financial activities under the laws of the state whereof the applicant is a resident, or a copy of a certificate issued by the financial supervisory authority of the state whereof the applicant is a resident confirming that no licence (authorisation) is required – in the event that the applicant is a financial organisation that is not a resident of the Republic of Kazakhstan.

12. The requirements of sub-paragraph 3) of paragraph 8 hereof regarding filing of copies of documents confirming the applicant's significant interest in a legal entity that is not a resident of the Republic of Kazakhstan, and sub-paragraph 2) of paragraph 10 hereof regarding furnishing copies of documents confirming information on persons who directly or indirectly hold ten per cent or more of the applicant's shares (stakes in the authorised capital), and persons exercising control over the applicant shall not apply to an applicant that is a legal entity which is not a resident of the Republic of Kazakhstan, subject that one of the following conditions is met:

1) the applicant must have a credit rating of at least "A" from one of the rating agencies listed in a regulatory act issued by the authorised body;

2) the availability of details on legal entities that are non-residents of the Republic of Kazakhstan in which the applicant is a major shareholder, on the applicant's major shareholders, and on persons exercising control over the applicant, on the website of the financial supervisory authority of the state in which the applicant is resident.

For the purposes of sub-paragraph 5 of paragraph 10 hereof, the senior executive of a legal entity that is a non-resident of the Republic of Kazakhstan (or a financial organisation that is a non-resident of the Republic of Kazakhstan) shall be deemed to comprise the head of the governing body, his or her deputy and the members of the governing body; the head of the executive body, his or her deputy and the members of the executive body, and the chief accountant.

With regard to the senior executives of a financial organisation that is a non-resident of the Republic of Kazakhstan and who are themselves non-residents of the Republic of Kazakhstan, for the purposes of sub-paragraph 5 of paragraph 10 of this Article, the applicant shall furnish details confirming their impeccable business reputation, in the form prescribed by a regulatory legal act of the authorised body.

The financial statements referred to in sub-paragraph 6) of paragraph 10 hereof shall need not be filed where the applicant is a financial organisation that is a non-resident of the Republic of Kazakhstan and such financial statements shall be published and available in Kazakh, Russian or English on the website of the financial organisation that is a non-resident of the Republic of Kazakhstan or on a foreign stock exchange.

13. To obtain approval for a non-resident bank of the Republic of Kazakhstan to acquire the status of a banking holding company, or for a non-resident insurance organisation of the Republic of Kazakhstan to acquire the status of an insurance holding company, subject that the non-resident bank or insurance organisation of the Republic of Kazakhstan holds a credit rating of at least "A"- from one of the rating agencies, the list thereof is established by a regulatory legal act of the authorised body, the applicant shall file the documents and data mentioned in sub-paragraphs 4) and 7) of paragraph 8, sub-paragraphs 1), 2), 6) and 7) of paragraph 10, and sub-paragraphs 3) and 4) of paragraph 11 hereof.

14. Natural persons wishing to acquire the status of a major shareholder in a bank, insurance (reinsurance) company or investment portfolio manager upon acquiring shares representing twenty-five per cent or more of the voting shares, as well as legal entities wishing to acquire the status of a banking holding company or an insurance holding company, in addition to the documents and data listed in this article, must furnish a business plan for the next five years, the requirements for which are set by the authorised body.

15. A decision on an application filed to obtain the status of a major shareholder in a bank , insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company as per the requirements hereof must be adopted by the authorised body within fifty working days of filing the application.

The authorised body shall suspend the period for reviewing documents filed to obtain the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company, whilst the authorised body is forming a reasoned opinion concerning the applicant under Article 13-5 hereof. This period shall be suspended from the date on which the draft reasoned decision is sent to the person who filed the documents to obtain the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company, until the date when the authorised body adopts the reasoned decision.

An application for the status of a major shareholder in a bank, insurance (reinsurance) organisation, banking holding company or insurance holding company, filed as part of the process for obtaining authorisation to establish a bank, insurance (reinsurance) organisation, shall be reviewed by the authorised body within the time limits established for examination of an application for a licence to establish a bank or an insurance (reinsurance) organisation.

An application for the status of a major shareholder in a bank or banking holding company, furnished as part of the process of obtaining authorisation for the voluntary reorganisation of a microfinance organisation by conversion into a bank, shall be examined by the authorised body within the time limits established to examine an application for authorisation of the voluntary reorganisation of a microfinance organisation by conversion into a bank.

The authorised body must notify the applicant in writing of the outcome of its decision; where consent to acquire the relevant status is refused, the written notification must state the grounds for the refusal.

When granting approval to a bank to acquire the status of a major shareholder, or to a banking holding company of another bank, or to an insurance (reinsurance) organisation to acquire the status of a major shareholder, or to an insurance holding company of another insurance (reinsurance) organisation, the authorised body shall simultaneously issue authorisation for a significant stake in the bank's capital, an insurance (reinsurance) organisation, or the establishment (acquisition) of a subsidiary bank or a subsidiary insurance (reinsurance) organisation, subject to the applicant obtaining the relevant authorisation.

16. An authorised body may refuse to grant consent to persons wishing to become major shareholders in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company on any of the following grounds:

1) failure to comply with the requirements set out in sub-paragraphs 4), 5), 6) and 7) of paragraph 2 of Article 9-4 of this Law (in respect of a natural person or senior officers of the applicant, where the applicant is a legal person);

2) the applicant's unstable financial position.

An applicant's financial position shall be considered unstable if any of the following criteria apply:

the applicant is a legal entity established less than two years prior to the date of filing the application, excluding where a major shareholder of the applicant is a person who holds the status of a major shareholder in a financial institution for which the applicant has furnished an application to acquire the status of a major shareholder;

the applicant's liabilities exceed its assets, less the value of assets held in the form of shares and equity interests in the authorised capital of other legal entities, and shares in a bank , insurance (reinsurance) organisation or investment portfolio manager that the applicant intends to acquire;

losses for each of the two completed financial years;

the size of the applicant's liabilities poses a significant risk to the financial position of the bank, insurance (reinsurance) company or investment portfolio manager;

the existence of any overdue and/or written-off debts owed by the applicant to the bank, insurance (reinsurance) organisation or investment portfolio manager;

an analysis of the financial implications of the applicant acquiring the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company suggests that the applicant's financial position will deteriorate;

the value of the applicant's assets (net of liabilities) is insufficient to acquire shares in a bank, an insurance (reinsurance) company or an investment portfolio manager;

other grounds, identified through reasoned judgement, specifying that the applicant is in a precarious financial position and/or that there is a risk of harm to the bank and/or its depositors, an insurance (reinsurance) organisation and/or its clients, an investment portfolio manager and/or contributors to a voluntary pension savings fund;

3) the documents furnished do not satisfy the requirements hereof, or the comments made by the authorised body regarding the filed documents have not been addressed;

4) a breach of the competition law of the Republic of Kazakhstan resulting from the applicant acquiring the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company;

5) cases where the person acquiring the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company, insurance holding company, is a legal entity registered in offshore zones, the list thereof is established by the authorised body, apart from cases envisaged by paragraph 4 of Article 9 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan";

6) failure by the applicant to meet the requirement set out in Part 3 of paragraph 3 of Article 6 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", as well as other requirements established by legislative acts of the Republic of Kazakhstan, applicable to major shareholders of a bank, an insurance (reinsurance) organisation, an investment portfolio manager, banking holding companies, insurance holding companies;

7) an analysis of the financial implications of the applicant acquiring the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company suggests that the financial position of the bank, the insurance (reinsurance) organisation or the investment portfolio manager, as the case may be, will deteriorate;

8) the applicant—a financial organisation that is not a resident of the Republic of Kazakhstan—does not hold a licence (authorisation) to engahe in financial activities under the laws of the state whereof it is a resident, in cases where such a licence (authorisation) is required under the laws of that state;

9) the applicant – a legal entity that is not a resident of the Republic of Kazakhstan – or its parent organisation does not hold the minimum required rating from one of the rating agencies, the list whereof is set out by the authorised body excluding cases mentioned in paragraph 4 hereof;

10) the inefficiency of the proposed recapitalisation plan for the bank, insurance (reinsurance) organisation or investment portfolio manager in the event of a potential deterioration in the financial condition of the bank, insurance (reinsurance) organisation or investment portfolio manager;

11) the applicant (if a natural person) or a senior executive of the applicant (if a legal entity) does not have an impeccable business reputation;

12) cases where a person was previously, or currently is, a major shareholder (as a natural person) or the first executive of a major shareholder (as a legal entity) and/or a senior executive of a financial institution, including a financial institution that is not resident in the Republic of Kazakhstan, within a period of no more than one year prior to the adoption by the authorised body or the financial supervisory authority of the state in which the financial institution that is not resident in the Republic of Kazakhstan is resident, of a decision to place the bank under resolution, a decision to revoke the licence of a financial organisation, including a financial organisation that is not a resident of the Republic of Kazakhstan, resulting in its liquidation and/or the cessation of its activities in the financial market; or the entry into force of a court order for the compulsory liquidation of a financial organisation, including a financial organisation that is not a resident of the Republic of Kazakhstan, or if it is declared bankrupt under the procedure laid down by the legislation of the Republic of Kazakhstan or by the legislation of the state in which the non-resident financial organisation is resident.

This requirement shall apply for a period of ten years following the adoption by the authorised body or the financial supervisory authority of the state where the non-resident financial organisation of the Republic of Kazakhstan is resident of a decision to place the bank under resolution or a decision to revoke the financial organisation's licence, including a financial organisation that is not a resident of the Republic of Kazakhstan, which has resulted in their liquidation and/or the cessation of their activities in the financial market, or the entry into force of a court order for the compulsory liquidation of a financial organisation, including a financial organisation that is not a resident of the Republic of Kazakhstan, or if it is declared bankrupt under the procedure laid down by the laws of the Republic of Kazakhstan or by the legislation of the state in which the non-resident financial organisation is resident.

For the purposes of this sub-paragraph, the term "financial institution" shall also include a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, and a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan;

13) failure of a financial organisation that is not a resident of the Republic of Kazakhstan and wishes to acquire the status of a banking holding company or an insurance holding company to comply with the requirements set out in paragraph 6 hereof;

14) cases where the applicant – a financial institution – is a non-resident of the Republic of Kazakhstan and is not subject to supervision on a consolidated basis in its country of establishment;

15) the inability to conduct consolidated supervision of a banking conglomerate due to the fact that the legislation of the countries in which the non-resident members of the banking

conglomerate are located makes it impossible for them, and for the banking conglomerate, to satisfy the requirements laid down by the laws of the Republic of Kazakhstan;

16) the existence of grounds for refusing to grant a licence to establish a bank or an insurance (reinsurance) organisation.

Where a bank or an insurance (reinsurance) organisation wishes to acquire the status of a major shareholder in another bank, insurance (reinsurance) organisation, banking holding company or insurance holding company, with a view to establishing or acquiring a subsidiary bank or a subsidiary insurance (reinsurance) organisation, or acquiring a significant stake in the share capital of a bank, insurance (reinsurance) organisation, when reviewing the documents furnished, the authorised body shall consider the grounds for refusal set out in paragraph 3 of Article 9-6 hereof. Where there are grounds for refusing to grant authorisation for the establishment or acquisition of a subsidiary, or for a significant stake in an organisation's capital, the authorised body shall refuse to grant consent for the acquisition of the status of a major shareholder in a bank, an insurance (reinsurance) organisation, a banking holding company or an insurance holding company;

17) the beneficial owner of the applicant – a legal entity as established under the Law of the Republic of Kazakhstan "On Combating the Legalisation (Laundering) of Proceeds of Crime, the Financing of Terrorism and the Financing of the Proliferation of Weapons of Mass Destruction" – has an unexpunged or unspent criminal conviction for offences regarding legalisation (laundering) of proceeds of crime, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.

17. The authorised body may revoke consent for the acquisition of the status of a major shareholder in a bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company in the following cases :

1) the disclosure of inaccurate data based thereon the approval was granted;

2) the identification of a breach of the Republic of Kazakhstan's competition law resulting from the applicant acquiring the status of a major shareholder, a banking holding company or an insurance holding company;

3) failure by major shareholders of a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company to observe the requirements hereof;

4) the absence of a major shareholder – a non-resident of the Republic of Kazakhstan, a bank, an insurance (reinsurance) organisation, an investment portfolio manager, or a banking holding company – a non-resident of the Republic of Kazakhstan, or an insurance holding company that is not a resident of the Republic of Kazakhstan, from one of the rating agencies, the list whereof is set by the authority.

Where consent to acquire the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company is withdrawn, the authorised body shall decide to revoke the consent previously granted within two months of the date when the fact constituting the grounds for withdrawal of consent is discovered.

Upon revocation of consent, within six months of the date of revocation, the person to whom such a measure applies must reduce the number of shares they hold in the bank, insurance (reinsurance) organisation or investment portfolio manager to a level that does not require the consent of the authorised body to acquire the status of a major shareholder, and to present supporting documents to the authorised body.

A person whose consent, given in pursuance of this Article, has been withdrawn shall not be entitled to transfer shares in a bank, an insurance (reinsurance) organisation, or an investment portfolio manager to another person for trust management.

Where persons in respect of whom the authorised body has decided to revoke the relevant consent fail to fulfill the requirements of this paragraph, the authorised body may apply to the court to ensure that such persons comply with the authorised body's requirements.

18. A major shareholder of a bank, insurance (reinsurance) organisation or investment portfolio manager, as well as a banking holding company or insurance holding company, must notify the authorised body within thirty calendar days of any change in the percentage of shares held in the bank or insurance (reinsurance) organisation, the investment portfolio manager's shareholding in the bank, insurance (reinsurance) organisation or investment portfolio manager, held directly and/or indirectly, accompanied by supporting documents, unless such a change results from the bank's repurchase of its own shares, an insurance (reinsurance) organisation, an investment portfolio manager or a banking holding company, an insurance holding company from other shareholders.

In the event of a change in the number of shares in a bank, insurance (reinsurance) organisation or investment portfolio manager (in percentage or absolute terms) held by a major shareholder of the bank, insurance (reinsurance) organisation or investment portfolio manager, or by a banking holding company, insurance holding company, relative to the number of voting shares in the bank, insurance (reinsurance) organisation or investment portfolio manager, the major shareholder of the bank, insurance (reinsurance) organisation or investment portfolio manager, the banking holding company, insurance holding company must report to the responsible authority details of the sources (origin) of funds, which have been used to acquire shares in a bank, an insurance (reinsurance) organisation or an investment portfolio manager, accompanied by copies of documents confirming this information. The sources of funds that may be used by major shareholders of a bank, insurance (reinsurance) organisation or investment portfolio manager – who are natural persons – for the additional acquisition of shares in a bank, insurance (reinsurance) organisation or investment portfolio manager are listed in paragraph 7 of this article.

Where the percentage of shares in a bank, insurance (reinsurance) organisation or investment portfolio manager held by a major shareholder of the bank falls below ten or twenty-five per cent, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company, to the number of voting shares in the bank, insurance (reinsurance) organisation or investment portfolio manager, upon application by a major shareholder of the bank, an insurance (reinsurance) organisation, an investment portfolio manager, a banking holding company or an insurance holding company, or where the authorised body independently discovers facts constituting grounds for revoking the consent granted, the written consent previously granted by the authorised body shall be deemed to have been revoked from the day following the date when the authorised body receives the said application or discovers facts constituting grounds for revoking the consent granted.

A major shareholder of a bank, insurance (reinsurance) organisation or investment portfolio manager who is a natural person, in the event that the number of shares held by them increases to twenty-five per cent or more of the bank's voting shares, insurance (reinsurance) organisation or investment portfolio manager, in addition to the documents and within the time limits set out in this paragraph, shall furnish a business plan, the requirements whereof shall be laid down by the authorised body, covering the next five years.

19. The requirements for obtaining the status of a major shareholder in a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company shall not apply to:

the Government of the Republic of Kazakhstan;

a national holding company;

a unified accumulative pension fund, an investment portfolio manager, or a holder of voting shares and/or derivatives of a bank or an insurance (reinsurance) organisation that manages an investment portfolio, using pension assets;

a person acting as the nominee holder of voting shares and/or derivative securities of a bank, an insurance (reinsurance) organisation, an investment portfolio manager, or the issuer of such derivative securities;

a person recognised as indirectly holding (having the ability to vote, decide and/or influence decisions by virtue of a contract or otherwise) shares and/or derivative securities of the bank, an insurance (reinsurance) organisation, an investment portfolio manager by virtue of holding (having the ability to vote, decide and/or influence decisions by virtue of a contract or otherwise) shares in another financial organisation having the status of a major shareholder (banking holding company, insurance holding company) of the said bank, an insurance (reinsurance) organisation managing an investment portfolio;

a person who is not a resident of the Republic of Kazakhstan and who indirectly holds (has the ability to vote, decide and/or influence decisions by virtue of a contract or otherwise) shares and/or derivative securities of the bank, an insurance (reinsurance) organisation that manages an investment portfolio by owning (having the ability to vote, decide and/or influence decisions by virtue of a contract or otherwise) shares in another financial organisation that is a non-resident of the Republic of Kazakhstan, that is subject to consolidated supervision in its country of establishment and has the status of a major shareholder (banking holding company, insurance holding company) of the said bank, insurance (reinsurance) organisation or investment portfolio manager.

20. The requirements set forth herein regarding the minimum required rating from one of the rating agencies and an information-sharing agreement between the authorised body and the financial supervisory authority of the state in which the non-resident financial organisation of the Republic of Kazakhstan is resident, shall not apply to cases where the applicant – a non-resident financial organisation of the Republic of Kazakhstan – acquires one hundred per cent of the shares of a bank resident in the Republic of Kazakhstan from a national holding company.

Footnote. The Law has been supplemented with Article 9-5 under Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall take effect upon expiry of sixty calendar days after the date of its first official publication).

Article 9-6. Procedure for granting a permission to a bank or an insurance (reinsurance) organisation to establish or acquire a subsidiary, or to acquire a significant stake in the capital of an organisation

1. A bank or an insurance (reinsurance) organisation may establish or acquire a subsidiary , or hold a significant stake in the capital of an organisation, in lime with the list set out by paragraph 2 of Article 23 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan" and Article 48 of the Law of the Republic of Kazakhstan "On Insurance Activities", only with the prior permission of the authorised body.

A fee shall be charged for the issue of a permission to establish or acquire a subsidiary and/or to acquire a significant stake in the capital of organisations; the amount of this fee and the procedure for its payment shall be specified by the tax legislation of the Republic of Kazakhstan.

2. An application by a bank or an insurance (reinsurance) organisation for permit to establish or acquire a subsidiary must be filed using the form prescribed by a regulatory act of the authorised body, accompanied by the following documents:

1) a resolution on the establishment of a subsidiary, or the memorandum of association and draft articles of association – in the case of the establishment of a subsidiary;

2) a resolution on the acquisition of a subsidiary and the articles of association – in the case of the acquisition of a subsidiary;

3) the business plan of a subsidiary, the requirements thereof being set out in a regulatory act issued by the authorised body;

4) the financial statements of the subsidiary being acquired, as certified by an auditor's report, for the last completed financial year, as well as the financial statements of the subsidiary being acquired for the last completed quarter prior to filing the application.

If, between January 1 and June 1 of the current year, there is no auditor's report certifying the financial statements for the last completed financial year, copies of the financial statements for the last completed financial year and the last completed quarter prior to filing the application must be filed, along with the annual financial statements certified by an auditor's report, for the year preceding the last completed financial year.

If the subsidiary being acquired has been in operation for less than a year, financial statements must be filed for the last completed quarter prior to furnishing the application;

5) a document confirming payment of the licence fee, excluding cases where payment is made via the e-government payment gateway;

6) copies of documents certifying the person's authority to file the application and the documents attached thereto;

7) other documents based on which it is intended to acquire control over, or which confirm control over, a subsidiary, specifying the basis for the establishment of such control.

The documents listed in sub-paragraphs 1), 2) or 4) of this paragraph shall not be required if they are available on the financial reporting depository's website.

3. A permit for the establishment or acquisition of a subsidiary shall be refused on any of the following grounds:

1) failure to address the comments made by the authorised body regarding the documents presented within the timeframe set by the authorised body;

2) failure by a bank or an insurance (reinsurance) organisation to observe prudential standards and limits as a result of the alleged existence of a subsidiary of the bank or insurance (reinsurance) organisation;

3) an analysis of the financial implications, suggesting a deterioration in the financial position of a bank, a banking conglomerate, an insurance (reinsurance) organisation or an insurance group as a result of the activities of a subsidiary or of investments planned by the bank or the insurance (reinsurance) organisation;

4) failure by the subsidiary being acquired to meet the established prudential standards and limits in the cases envisaged by the legislation of the state in which the subsidiary being acquired is resident, withhin three months preceding the date of applying to the authorised body for the permit, and/or within the period when the application is being considered;

5) whether the bank, insurance (reinsurance) organisation and/or the proposed subsidiary has in place the supervisory response measures required by sub-paragraphs 2), 3), 4), 5), 8) and 13) of paragraph 1 of Article 80, Article 81 of the Law of the Republic of Kazakhstan " On Banks and Banking Activities in the Republic of Kazakhstan", sub-paragraphs 2), 3), 4), 5) and 8) of paragraph 1 of Article 53-3 of the Law of the Republic of Kazakhstan "On Insurance Activities", and/or administrative penalties for administrative offences stipulated in parts six and eight of Article 213, Articles 227, 229, 230 and Part 4 of Article 239 of the Code of the Republic of Kazakhstan on Administrative Offences, at the time of application and/or while the documents are being processed;

6) in cases where a bank or an insurance (reinsurance) organisation establishes or acquires a subsidiary – a bank, an insurance (reinsurance) organisation or an investment portfolio manager – that is a resident of the Republic of Kazakhstan, failure to observe the requirements laid down herein, as well as the laws of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", "On Insurance Activities", "On the Securities Market", with regard to granting consent for the acquisition of the status of a banking holding company, an insurance holding company, a major shareholder in a bank, an insurance (reinsurance) organisation, or an investment portfolio manager – residents of the Republic of Kazakhstan;

7) failure by a bank or an insurance (reinsurance) organisation to observe the requirements laid down in Articles 23 and 50 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", Articles 15-1 and 48 of the Law of the Republic of Kazakhstan "On Insurance Activities", in relation to the establishment of subsidiaries of a bank, subsidiaries of insurance (reinsurance) organisations, and the acquisition by banks or insurance (reinsurance) organisations of shares, equity interests, units or other forms of equity participation in the capital of organisations.

4. An application by a bank or an insurance (reinsurance) organisation for permission to acquire a significant stake in the capital of an organisation shall be filed in the form prescribed by a regulatory legal act of the authorised body, accompanied by the documents specified in sub-paragraphs 2), 3), 4), 5) and 6) of paragraph 2 of this Article.

A permit for a significant stake in the capital of organisations shall be refused on the grounds stipulated in paragraph 3 hereof.

5. The authorised body shall grant or refuse the permit within fifty working days of the application being lodged.

If a licence is refused, the authorised body must notify the applicant in writing of the grounds for the refusal.

Where a bank establishes another bank or acquires a significant stake in the capital of another bank, an application for permission to establish a subsidiary or to acquire a significant stake in the capital of an organisation, filed as part of the process for obtaining permission to open a bank or for the voluntary reorganisation of a microfinance organisation into a bank, shall be reviewed by the authorised body within the time limits established for the review of applications for the issuance of the aforementioned permits.

6. The granting of a permit to a bank or an insurance (reinsurance) organisation to establish or acquire a subsidiary, or to acquire a significant stake in an organisation, shall be effected pursuant to the procedure laid down in a regulatory legal act issued by the authorised body.

The procedure for revoking and/or cancelling a permit to establish or acquire a subsidiary, or to acquire a significant stake in the capital of organisations, shall be laid down in a regulatory legal act issued by the authorised body.

7. A previously issued permit to establish or acquire a subsidiary or to acquire a significant stake in an organisation's capital shall be revoked in the following cases:

1) where the permit to establish or acquire a subsidiary or to acquire a significant stake in an organisation's capital is withdrawn in the event of:

the discovery of inaccurate data based on which the licence was granted;

the bank's failure to observe the requirements of the legislation of the Republic of Kazakhstan relating to the activities of the bank's subsidiary, which led to a breach of the bank's capital adequacy ratio;

where the activities of a subsidiary of a bank, an insurance (reinsurance) organisation, or an organisation where the bank or insurance (reinsurance) organisation holds a significant stake in the capital, are found to be non-compliant with the requirements of paragraph 2 of Article 23 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", paragraph 3 of Article 48 of the Law of the Republic of Kazakhstan "On Insurance Activities";

2) the cessation of operations of a subsidiary of a bank, an insurance (reinsurance) organisation, or an organisation in which a bank or an insurance (reinsurance) organisation holds a significant stake, by way of restructuring (in the form of a merger or acquisition) or liquidation;

3) the absence of any evidence of control by the bank or insurance (reinsurance) organisation over the subsidiary;

4) the absence of any evidence of a significant stake in the organisation's capital held by a bank or an insurance (reinsurance) company.

8. A permit issued by the authorised body for the establishment or acquisition of a subsidiary, or for a significant stake in the capital of an organisation, shall be deemed to have been withdrawn on the day following the date when the authorised body receives an application from a bank or an insurance (reinsurance) organisation, accompanied by supporting documents, requesting the withdrawal of the previously issued permit on the grounds specified in sub-paragraphs 2) , 3) and 4) of paragraph 7 hereof, or on the day the authorised body discovers facts constituting grounds for revoking the issued permit.

9. Where a permit to establish or acquire a subsidiary or a significant stake in an organisation is revoked on the grounds referred to in sub-paragraph 1) of paragraph 7 hereof, the authorised body shall take a decision within two months of the date when the fact constituting the grounds for revocation is detected.

Upon revocation of a licence to establish or acquire a subsidiary or a significant stake in an organisation, within six months of the date of such revocation, a bank or an insurance (reinsurance) organisation must dispose of the shares, equity interests, shares or other forms of equity interest in the capital of the said organisations to persons not linked to the bank or insurance (reinsurance) organisation in question by special relationships, and to furnish supporting documents to the authorised body.

10. Where a bank or an insurance (reinsurance) organisation wishing to acquire the status of a major shareholder in a bank, an insurance (reinsurance) organisation, a banking holding company or an insurance holding company establishes or acquires a subsidiary bank or a subsidiary insurance (reinsurance) organisation, or acquires a significant stake in the capital of a bank, insurance (reinsurance) organisation, permission to establish or acquire a subsidiary or a significant stake in the capital shall be granted by the authorised body to the bank or insurance (reinsurance) organisation at the same time as the document is issued, containing the consent of the authorised body to acquire the status of a major shareholder in a bank, an insurance (reinsurance) organisation, a banking holding company or an insurance holding company, without providing the documents specified in this Article, excluding the application for a permit to establish or acquire a subsidiary or a significant interest in the capital of an organisation and the document confirming payment of the fee for the issue of the permit.

The document confirming payment of the fee for the issue of a permit, referred to in the first sub-paragraph of this paragraph, shall not be required if the fee is paid via the e-government payment gateway.

11. The requirements herein shall not apply to:

1) cases where a bank establishes (acquires) a subsidiary under the conditions set out in Article 30 of the Law of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan”;

2) cases where a bank acquires shares in another bank, or shares and equity interests in the authorised capital of legal entities owned by another bank, in the course of a reorganisation by way of merger pursuant to the procedure laid down by the laws of the Republic of Kazakhstan .

Footnote. The Law has been supplemented with Article 9-6 as per Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall become effective upon expiry of sixty calendar days after the date of its first official publication).

Article 9-7. Publication of key performance indicators for banks, branches of non-resident banks, banking holding companies, insurance (reinsurance) organisations, insurance brokers, insurance holding companies, branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan, a branch of a non-resident insurance broker of the Republic of Kazakhstan

1. A bank, an insurance (reinsurance) company or an insurance broker must publish annual consolidated financial statements; where there are no subsidiary companies, they must publish unconsolidated annual financial statements, as well as an audit report within the timeframes and according to the procedure established by a regulatory legal act of the authorised body, following confirmation by the audit firm of the accuracy of the information contained therein and the approval of the annual financial statements by the annual general meeting of the bank’s shareholders, insurance (reinsurance) organisation, the annual general

meeting of the participants of an insurance broker, or a non-resident insurance broker of the Republic of Kazakhstan.

Upon request by the authorised body, a bank or a branch of a bank that is not a resident of the Republic of Kazakhstan shall publish other reports on the website of the bank or the branch of the bank that is not a resident of the Republic of Kazakhstan, as specified in the list and within the timeframes set out in a regulatory legal act issued by the authorised body.

Banks and insurance (reinsurance) organisations shall publish their balance sheets and profit and loss accounts on a quarterly basis, complying with international financial reporting standards, as required by the regulations issued by the authorised body, without an auditor's report.

2. Banking holding companies that are residents of the Republic of Kazakhstan and insurance holding companies that are residents of the Republic of Kazakhstan shall publish annual consolidated financial statements, and, in the absence of a subsidiary (subsidiaries), unconsolidated financial statements, as well as an auditor's report, as per the procedure and within the time limits established by a regulatory legal act of the authorised body.

3. A branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, and a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan shall publish information as required by the regulatory legal act of the authorised body:

annual financial statements based on the accounting records of a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, or a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan;

the annual consolidated financial statements of a bank that is a non-resident of the Republic of Kazakhstan, an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, an insurance broker that is a non-resident of the Republic of Kazakhstan, and in the absence of a subsidiary (or subsidiaries) – the unconsolidated annual financial statements of a bank that is a non-resident of the Republic of Kazakhstan, an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, an insurance broker that is a non-resident of the Republic of Kazakhstan, as well as an auditor's report, following confirmation by an audit firm of the accuracy of the information contained therein and the approval of the financial statements by a bank that is a non-resident of the Republic of Kazakhstan, an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, or an insurance broker that is a non-resident of the Republic of Kazakhstan.

A branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation 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 shall publish, on a quarterly basis, a statement of assets and liabilities and a statement of income and expenditure, complying with international financial reporting standards, as per the procedure and within the time limits established by a regulatory legal act of the authorised body, without audit confirmation.

Footnote. The Law has been supplemented with Article 9-7 pursuant to Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall be enforced upon expiry of sixty calendar days after the date of its first official publication).

Article 10. Features of the state regulation, control and supervision of banking activity

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

For the purposes of carrying out of the state regulation, control and supervision of banking activity, the authorized body shall:

1) determine procedure of giving and refuse in giving the consent for acquisition of the status of major participant of bank and bank holding company by the individual and legal entities, permission for creation and acquisition of branch organization by banks and bank holding companies, as well as permission for acquisition of significant participant in the capital of legal entities by the banks and bank holding companies, issue or refuse in issuance of specified consent and permissions;

2) establish minimum dimensions of owned capital of banks;

3) establish requirements on formation of reserve capital of banks;

4) approve prudential regulations and other standards and limits, compulsory for observance for banking conglomerates;

5) (Is excluded - dated 19 February, 2007 № 230)

6) establish procedure of classification of assets and conditional obligations and creation provisions against them. Procedure of allocation of assets and conditional obligations to the category of doubtful and loss shall be determined by agreement with the state body, ensuring tax control of fulfilment of tax obligations before the state;

7) excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication);

8) determine the procedure for application and decide on the application of compulsory measures to the bank's affiliated individuals provided for by the Laws of the Republic of Kazakhstan;

9) in cases established by the banking legislation of the Republic of Kazakhstan, decide to apply a regime of enhanced supervision or a regime for the restoration of financial stability to a bank or a branch of a bank that is not a resident of the Republic of Kazakhstan, and a resolution regime to a bank, and also appoint a temporary administration to manage the bank;

9-1) adopt decision on creation and termination of activity of stabilization of bank in the cases, provided by the Law of the Republic of Kazakhstan;

10) in the cases specified by the laws of the Republic of Kazakhstan, decide to revoke a banking licence to engage in all or certain types of operations stipulated by the banking legislation of the Republic of Kazakhstan, and appoint a provisional administration for the bank and a liquidation commission for a branch of a non-resident bank in the Republic of Kazakhstan that is being compulsorily wound up;

10-1) make a decision in cases established by the laws of the Republic of Kazakhstan to complete the procedure for voluntary or compulsory termination of the activities of a non-resident bank branch of the Republic of Kazakhstan;

11) carry out other functions in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 10 as amended by the Laws of the Republic of Kazakhstan dated 23.12.2005 № 107 (the order of enforcement see Article 2 of the Law № 107); dated 05.05.2006 № 139 (the order of enforcement see Article 2 of the Law of the Republic of Kazakhstan № 139); dated 19.02.2007 № 230 (the order of enforcement see Article 2); dated 11.07.2009 № 185-IV (shall be enforced from 30.08.2009); dated 15.07.2010 № 337-IV (the order of enforcement see Article 2); dated 15.07.2010 № 338-IV (the order of enforcement see Article 2); dated 28.12.2011 № 524-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.11.2015 № 422-V (shall enter into force from 16.12.2020); dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020); dated 30.06.2025 № 205-VIII (shall be enforced sixty calendar days after the day of its first official publication); № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 10-1. The task, functions, rights and obligations of the representative of authorized body in the banks

Footnote. Article 10-1 is excluded by the Law of the Republic of Kazakhstan dated 15.07.2010 № 338-IV (the order of enforcement see Article 2).

Article 11. Features of the state regulation, control and supervision of insurance activity

Footnote. The title of Article 11 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

For the purposes of carrying out of the state regulation, control and supervision of insurance activity, the authorized body shall:

1) determine procedure of giving or refuse in giving the consent for acquisition of the status of major participant of insurance (reinsurance) organization and insurance holding companies by the individual and legal entities, permission for creation and acquisition of

branch organization by insurance (reinsurance) organization and insurance holding companies , as well as permission for acquisition of significant participant in the capital of legal entities by insurance (reinsurance) organization and insurance holding companies, issue of specified consent and permission or refuse in its issuance;

2) establish the requirements for the formation by insurance (reinsurance) organizations, branches of insurance (reinsurance) organizations-non-residents of the Republic of Kazakhstan of insurance reserves, the methodology for calculating insurance reserves and their structure;

2-1) approve requirements for the assessment and structure of insurance liabilities in accordance with international financial reporting standards and automation of their assessment, the methodology for assessing insurance liabilities, the procedure and terms for its approval;

3) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication);

4) determine the procedure for placing and investing assets by insurance (reinsurance) organizations;

5) establish requirements for the content and procedure for processing of insurance policies;

6) determine procedure and conditions of increasing the amount of regular insurance payments during the term of the annuity contracts on the basis of actuarial conclusion and requirements to its content;

7) determine procedure and conditions of issuance of loans to its insured persons by the insurance organization, carrying out activity on endowment insurance;

8) determine the procedure for accounting of insurance (reinsurance) organization, branch of insurance (reinsurance) organization non-resident of the Republic of Kazakhstan insurance and reinsurance contracts, including those executed by insurance (reinsurance) organization, branch of insurance (reinsurance) organization non-resident of the Republic of Kazakhstan in violation of the deadlines established (agreements or legislation of the Republic of Kazakhstan);

9) excluded by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication);

10) make, in cases established by the Laws of the Republic of Kazakhstan, a decision to deprive a license for the right to carry out insurance (reinsurance) activities and appoint a temporary administration (temporary administrator) of an insurance (reinsurance) organization, a liquidation commission forcibly terminating the activities of a branch of an insurance (reinsurance) non-resident organization of the Republic of Kazakhstan;

10-1) make, in cases established by the Laws of the Republic of Kazakhstan, a decision to complete the procedure for voluntary or compulsory termination of the activities of a branch of a non-resident insurance (reinsurance) organization of the Republic of Kazakhstan;

11) determine procedure of compulsory collective guarantee of insurance payments on the types of compulsory insurance;

12) carry out other functions in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 11 as amended by the Laws of the Republic of Kazakhstan dated 05.05.2006 № 139 (the order of enforcement see Article 2 of the Law of the Republic of Kazakhstan № 139); dated 19.02.2007 № 230 (the order of enforcement see Article 2); dated 15.07.2010 № 337-IV(the order of enforcement see Article 2); dated 28.12.2011 № 524-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.11.2015 № 422-V (shall enter into force from 16.12.2020); dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020); dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication); dated 18.07.2025 № 215-VIII (shall be enforced from 01.01.2026).

Article 12. Peculiarities of state regulation, control and supervision over activities of securities market entities and other financial instruments

Footnote. The title of Article 12 in the new wording of the Law of the Republic of Kazakhstan dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016).

For the purposes of carrying out of the state regulation, control and supervision of activity of security market entities, the authorized body shall:

1) recognize the assets of financial market as securities;

1-1) shall monitor issuers of non-state equity securities;

2) carry out state registration of issues of non-state issue securities, Islamic securities, derivative securities;

review and approve reports on the results of the placement of shares, reports on the exchange of outstanding shares of a joint-stock company of one type for shares of this joint-stock company of another type, reports on the results of the placement or repayment of Islamic securities and derivative securities;

cancel issues of shares and bonds;

3) shall determine the conditions and procedure for the issuance, placement, circulation and redemption of securities, including derivative securities;

4) establish the conditions and procedure for state registration of securities issues, including derivative securities, consideration of reports on the results of their placement, reports on the results of placement or repayment of Islamic securities and derivative securities , as well as their cancellation;

5)-7) (Is excluded - dated 19 February, 2007 № 230);

8) determine conditions and procedure of suspension and resumption of placement and circulation of securities and public securities;

9) maintain the State register of securities, electronic register of the licensor and register of permissions for carrying out of activity on the security market;

9-1) determine procedure of giving and refuse in giving the consent for acquisition of the status of major participant, managing the investment portfolio by the individual and legal entities, requirements to the documents, presented for obtainment of the specified consent, issue or refuse in issuance of such consent;

9-2) establish the minimum amount of charter capital of professional participants of security market, procedure of its formation and composition;

9-3) approve the prudential regulations and other standards and limits, compulsory for observation for professional participants of security market;

10) establish conditions and procedure of carrying out of professional activity on the security market, as well as requirements to the condition and procedure of commission of transactions with securities;

11) establish procedure of investment by the investment portfolio managers and institutional investors;

11-1) establish procedure of maintaining of records of pension savings by the investment portfolio manager at the expense of voluntary pension contributions on the individual pension accounts of contributors (recipients);

11-2) give permission for reorganization of voluntary pension savings fund;

12) establish the procedure for activities of organizers of bidding in securities and professional organizations;

13) exercise supervision over manipulation of prices (rates) of securities and other financial instruments, including derivative securities and foreign currencies, conclusion of transactions in securities market involving the use of insider information or information constituting official, commercial, banking or other secret protected by law;

14) carry out regulation and control of functioning of investment funds in accordance with the legislation of the Republic of Kazakhstan;

14-1) Is excluded by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication);

14-2) establish requirements on existence of system of risk management for professional participants on the security market;

14-3) is excluded by the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced from 01.01.2019);

15) carry out other functions in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 12 as amended by the Laws of the Republic of Kazakhstan dated 07.07.2004 № 577; dated 20.02.2006 № 127 (the order of enforcement see Article 2); dated

19.02.2007 № 230 (the order of enforcement see Article 2); dated 15.07.2010 № 337-IV (the order of enforcement see Article 2); dated 28.12.2011 № 524-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 21.06.2013 № 106-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 12.11.2015 № 391-V shall be enforced upon expiry of six months after the day its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 02.07.2018 № 166-VI (shall be enforced upon expiry of ten calendar days after its first official publication); dated 02.07.2018 № 168-VI (the order of enactment see Art . 2); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 12-1. Monitoring of issuers of non-state equity securities

Footnote. The Law shall be supplemented by Article 12-1 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (shall be enforced upon expiry of ten calendar days after its first official publication); is excluded by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 12-2. Peculiarities of state regulation, control and supervision of microfinance activities

In order to carry out state regulation, control and supervision of microfinance activities, the authorized body shall:

1) approve the rules for licensing microfinance activities, qualification requirements for microfinance activities and a list of documents confirming compliance with them;

2) maintain a register of organizations engaged in microfinance activities;

3) establish the minimum size of the authorized and own capital of organizations engaged in microfinance activities;

4) approve prudential standards and other mandatory standards and limits for organizations engaged in microfinance activities;

5) approve the rules for the classification of assets and contingent liabilities under microloans provided and the creation of provisions (reserves) against them in agreement with the authorized body that shall manage the provision of tax revenues and other mandatory payments to the budget;

6) perform other functions provided for by this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

Footnote. The Law as added by the Article 12-2 in accordance with the Law of the RK dated 03.07.2020 № 359-VI (shall enter into force from 01.01.2021); as amended by the Law of the RK dated 02.01.2021 № 399-VI (shall enter into force from 01.01.2021).

Article 12-3. State regulation, control and supervision of the activities of self-regulatory organisations in the field of microfinance and self-regulatory organisations in the field of debt collection

1. For the purposes of exercising state regulation, control and supervision over the activities of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector, the authorised body shall:

1) coordinate the rules and standards of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector;

2) maintain registers of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector;

3) establish the procedures for the operation of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector;

4) conduct inspections of the activities of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector with a view to identifying and/or preventing instances of non-compliance by such organisations with the requirements laid down herein, other laws of the Republic of Kazakhstan, regulatory legal acts of the authorised body and the National Bank of the Republic of Kazakhstan, rules, and standards of self-regulatory organisations in the field of microfinance and self-regulatory organisations in the field of debt collection;

5) impose limited enforcement measures and sanctions, established by the laws of the Republic of Kazakhstan, on self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector;

6) publish reports in the media on self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector (apart from information constituting official, commercial, banking or other legally protected secrets), including information on measures taken against them;

7) perform other functions prescribed by this Law, other laws of the Republic of Kazakhstan and decrees of the President of the Republic of Kazakhstan.

2. Control and supervision of the activities of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector shall be exercised by the authorised body consistent with this Law and other laws of the Republic of Kazakhstan, with a view to identifying, in the course of exercising its control and supervisory functions, any breaches by self-regulatory organisations in the field of microfinance and by self-regulatory organisations in the field of debt collection, regulatory legal acts issued by the authority and the National Bank of the Republic of Kazakhstan, as well as the rules and standards of self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector, and violations of the rights and legitimate interests of consumers of financial services.

3. The authorised body shall exercise other forms of control and supervision over self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector by means of:

1) the analysis of information and reports furnished by self-regulatory organisations in the microfinance sector and self-regulatory organisations in the debt collection sector as required by the legislation of the Republic of Kazakhstan;

2) remote monitoring as established by the laws of the Republic of Kazakhstan.

Footnote. The Law has been supplemented with Article 12-3 in line with Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 13. Features of the state regulation, control and supervision of activity of unified pension savings fund and voluntary pension saving fund

For the purposes of carrying out of the state regulation, control and supervision of activity of unified pension savings fund and voluntary pension savings fund, the authorized body shall :

1) establish requirements to the leading employees of unified pension savings fund and voluntary pension savings fund;

2) establish procedure of maintaining of records of pension savings at the expense of compulsory pension contributions, compulsory professional pension contributions on the individual pension accounts of contributors (recipients);

3) establish procedure of transfer of voluntary pension savings of contributors to the unified pension savings fund in the case of termination of license for managing the investment portfolio with the right of attraction voluntary pension contributions;

4) determine procedure of formation of the system of risk management and internal control;

5) carry out other functions in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Article 13 is in the wording of the Law of the Republic of Kazakhstan dated 21.06.2013 № 106-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 13-1. Features of procedure of organization and conducting of verifications of financial organizations and their affiliated persons, legal entities, carrying out activity on the security market , issuers of securities, credit bureaus, liquidation commissions of banks, insurance (reinsurance) organizations, pension savings funds

Footnote. Article 13-1 is excluded by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 13-2. Powers in the field of audit of other information in the field of financial market

1) require an audit of other information of the bank, insurance (reinsurance) organization, branch of the bank - non-resident of the Republic of Kazakhstan, branch of the insurance (reinsurance) organization - non-resident of the Republic of Kazakhstan, professional participant in the securities market;

2) shall establish, in coordination with the authorized state body, exercising state regulation in the field of auditing activities and control over the activities of auditing and professional audit organizations, the list of issues to be checked as part of an audit of other information, the requirements for the content, deadline for submission by an audit organization of an audit conclusion on the audit of other information, requirements for auditors as part of an audit organization, involved in the audit of other information.

Footnote. The Law shall be supplemented by Article 13-2 in accordance with the Law of the Republic of Kazakhstan dated 02.07.2018 № 168-VI (for the procedure of entry into force , see Article 2).

Article 13-3. Objectives of introduction and general conditions for carrying out activities under the special regulatory regime

1. Special regulatory regime is a set of special conditions for carrying out activities in the financial sphere, activities related to concentration of financial resources and (or) payment services established by the authorized body.

2. Special regulatory regime is aimed at achieving the following objectives:

1) increasing competition in the financial services market and investment attractiveness of the financial market;

2) introduction of new services and development of the financial market to increase the degree of satisfaction and compliance with the interests of consumers, subjects of entrepreneurship and the state;

3) formation of optimal regulation and supervision of the financial market and financial organizations, ensuring financial stability and protecting the consumers' interests.

3. The principles of the special regulatory regime shall be:

1) ensuring equality of conditions for participation within the framework of a special regulatory regime;

2) compliance with special regime for regulating the rights and interests of the consumers by the participants.

4. A special regulation regime shall be introduced by the decision of the Board of the authorized body, which specifies the types of activities (services, products) in the financial sphere, activities related to the concentration of financial resources and (or) with payment services, special conditions for their implementation within the framework of a special regulation regime, a list of participants, the procedure and conditions for applying to

participants a special regulation regime requirements of the legislation of the Republic of Kazakhstan.

Introduction of a special regulatory regime in relation to activities related to payment services shall be carried out by the decision of the Board of the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

The general term of the special regulatory regime does not exceed five years.

5. The special regulatory regime terminates its effect after expiration of the period for which it was introduced.

6. The procedure for introduction and cancellation of the special regulatory regime, carrying out activities within the framework of the special regulatory regime shall be approved by the regulatory legal act of the authorized body.

Footnote. The law was supplemented with Article 13-3 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020); as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 13-4. Carrying out activities within the framework of a special regulatory regime

1. Participants in the special regulatory regime may be financial organizations and (or) other legal entities carrying out activities in the financial sphere, activities related to concentration of financial resources and (or) payment services (hereinafter- the participants of a special regulatory regime).

2. The activities of a participant of a special regulatory regime shall be carried out in accordance with a contract on carrying out activities within the framework of a special regulatory regime concluded with the authorized body.

A contract on carrying out activities related to payment services within the framework of a special regulatory regime shall be concluded between a participant of a special regulatory regime, an authorized body and the National Bank of the Republic of Kazakhstan.

A standard contract on carrying out activities within the framework of a special regulatory regime shall be approved by the authorized body.

A standard contract on carrying out activities within the framework of a special regulatory regime must contain a condition according to which a participant of the special regulatory regime shall be obliged to notify the consumers of services about their activities within the framework of a special regulatory regime.

3. The selection criteria and the procedure for considering documents for concluding a contract on carrying out activities within the framework of a special regulatory regime shall be approved by the regulatory legal act of the authorized body.

4. The authorized body shall refuse a person wishing to become a party of a special regulatory regime to conclude a contract on carrying out activities within the framework of a special regulatory regime in cases of non-compliance of the declared type of activity with the

goals of introducing a special regulatory regime, non-compliance of a person wishing to become a party of a special regulatory regime with the selection criteria and (or) non-compliance of the submitted documents with the requirements, established by the regulatory legal act of the authorized body.

5. The effect of a contract on carrying out activities within the framework of special regulatory regime shall be terminated:

1) upon termination of a special regulatory regime due to the expiration of the period for which it was introduced, or its cancellation;

2) upon expiration of the term or early termination of a contract on carrying out activities within the framework of a special regulatory regime;

3) in other cases, provided for by the civil legislation of the Republic of Kazakhstan or by the contract on carrying out activities within the framework of a special regulatory regime.

6. The authorized body shall have the right to unilaterally terminate the contract on carrying out activities within the framework of a special regulatory regime in the event that the participant of the special regulatory regime fails to fulfill the obligations provided for by the contract, as well as if the participant of a special regulatory regime ceases to comply with the conditions established by the regulatory legal act of the authorized body.

The authorized body shall notify the participant of a special regulatory regime about the failure to fulfill the obligations determined by the contract on carrying out activities within the framework of a special regulatory regime, and the need to eliminate violations within a period of not more than sixty working days from the date of notification.

A participant of a special regulatory regime, within a period of not more than five working days from the date of receipt of the notification from the authorized body, shall develop and submit an action plan to eliminate the violations and (or) causes, as well as the conditions that contributed to their committing to the authorized body. The action plan contains a list of planned activities, terms for their implementation, as well as responsible officials.

If the authorized body approves the action plan, the participant of a special regulatory regime shall start its implementation and submit a report on implementation of the actions to the authorized body within the terms established by the authorized body.

If the authorized body disagrees with the action plan, the participant of a special regulatory regime shall eliminate the comments of the authorized body.

In case of disapproval of the action plan and (or) non-acceptance of measures on elimination these comments by the participant of a special regulatory regime, the authorized body shall notify the participant of a special regulatory regime about termination of the contract on carrying out activities within the framework of a special regulatory regime unilaterally.

7. After termination of the contract on carrying out activities within the framework of a special regulatory regime, a person who was previously a participant of a special regulatory

regime shall be obliged to immediately cease activities carried out within the framework of a special regulatory regime, subject to licensing or in respect of which a permitting procedure is in force in accordance with the laws of the Republic of Kazakhstan, as well as to fulfill obligations towards their clients in the manner and terms established by the regulatory legal acts of the authorized body.

8. Carrying out activities subject to licensing or in respect of which the permitting procedure is in force in accordance with the laws of the Republic of Kazakhstan, after termination of the contract on carrying out activities within the framework of a special regulatory regime shall be illegal and entail liability established by the laws of the Republic of Kazakhstan.

9. The powers of the authorized body, provided for by paragraphs 4 and 6 of this Article, in respect of activities related to payment services, shall be carried out in agreement with the National Bank of the Republic of Kazakhstan.

Footnote. The law was supplemented with Article 13-4 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 13-5. Powers of the authorized body to use a reasoned judgment

1. The authorised body may use its discretion in relation to:

1) banks, organisations engaged in specific types of banking operations, banking holding companies, major shareholders of a bank, insurance (reinsurance) organisations, insurance holding companies, major shareholders of an insurance (reinsurance) organisation, insurance groups and/or organisations forming part of insurance groups, insurance brokers, organisations guaranteeing the payment of insurance claims, actuaries licensed to engage in actuarial activities in the insurance market, professional participants in the securities market (exclusive of organisations performing transfer agency activities), major participants managing investment portfolios, and microfinance organisations;

2) senior executives, candidates for senior positions at a bank, a banking holding company , an insurance (reinsurance) organisation, an insurance holding company, insurance broker, organisation guaranteeing the payment of insurance claims, professional participant in the securities market (other than organisations engaged in transfer agency activities), unified accumulative pension fund, voluntary pension savings fund.

2. A reasoned judgment shall be understood to mean a well-founded professional opinion of a collegial body of the empowered authority, which serves as the ground for the application of supervisory response measures established by the laws of the Republic of Kazakhstan, as well as for the adoption of decisions in other cases specified by this Law and other laws of the Republic of Kazakhstan.

The authorised body may use its reasoned judgment in cases where:

1) an evaluation of business reputation to establish the presence or absence of an impeccable business reputation, as well as an evaluation of financial standing to establish the

presence or absence of an unstable financial position when granting (or refusing to grant) authorisation to establish a bank, an insurance (reinsurance) organisation, or consent to acquire the status of a major shareholder in a bank, a banking holding company, a major shareholder in an insurance (reinsurance) organisation, an insurance holding company, or a major shareholder in an investment portfolio manager, permits for a bank or an insurance (reinsurance) organisation to hold a significant stake in the capital of other organisations; permits for a bank or an insurance (reinsurance) organisation to establish or acquire a subsidiary; and consent to the appointment (election) of a senior executive of a bank, a banking holding company, insurance (reinsurance) organisation, insurance holding company, insurance broker, organisation guaranteeing the payment of insurance claims, or professional participant in the securities market (aside from organisations engaged in transfer agency activities), a unified accumulative pension fund, a voluntary pension savings fund, upon notification by a bank, a banking holding company, an insurance (reinsurance) organisation, an insurance holding company, an insurance broker, an organisation guaranteeing the payment of insurance benefits, or a professional participant in the securities market (with the exclusion of organisations engaged in transfer agency activities), a unified accumulative pension fund, a voluntary pension savings fund and an organisation engaged in certain types of banking operations, regarding the appointment (election) of senior management, the granting of banking licences, licences to conduct insurance (reinsurance) activities, the conduct of insurance brokerage activities, and the conduct of activities on the securities market;

2) rating of professional integrity to establish whether senior executives of a bank, banking holding company, insurance (reinsurance) organisation, insurance holding company, insurance broker, organisation guaranteeing insurance payments, or professional participant in the securities market have an unblemished professional record (other than organisations engaged in transfer agency activities), a unified accumulative pension fund, or a voluntary pension savings fund, whilst performing their duties or during the period of validity of the consent granted for their appointment (election) to the position of a senior executive of a bank , a banking holding company, insurance (reinsurance) organisation, insurance holding company, insurance broker, organisation guaranteeing the payment of insurance claims, or professional participant in the securities market (aside from organisations acting as transfer agents), a unified accumulative pension fund, a voluntary pension savings fund;

3) establishing the presence of indications that an employee is engaged in activities inherent to the functions of senior executives of a bank, a banking holding company, an insurance (reinsurance) organisation, an insurance holding company, an insurance broker, an organisation guaranteeing the payment of insurance claims, a professional participant in the securities market (other than organisations performing transfer agency activities), a unified accumulative pension fund, or a voluntary pension savings fund;

4) identifying persons recognised as having a special relationship with a bank or an insurance (reinsurance) organisation; establishing whether a bank or an insurance (reinsurance) organisation has granted preferential terms to persons with whom they have a special relationship; and classifying transactions entered into by a bank, an insurance (reinsurance) organisation, as transactions involving preferential terms;

5) defining persons who are deemed to be connected persons for the purposes of market manipulation in the securities market;

6) evaluation of the quality of the risk management and internal control systems within a bank and a banking conglomerate, an insurance (reinsurance) organisation and an insurance group, and a professional securities market participant (excluding organisations engaged in transfer agency activities), microfinance organisations, to assess the existence and implementation of effective internal policies and procedures commensurate with the nature, scale and complexity of the activities, as well as the size of the bank, banking conglomerate, insurance (reinsurance) organisation, insurance group, professional securities market participant or microfinance organisation;

7) assessments of the adequacy of provisions (reserves) held by banks, microfinance organisations, insurance (reinsurance) organisations, and professional participants in the securities market (exclusive of organisations engaged in transfer agency activities), insurance reserves calculated by an actuary licensed to engage in actuarial activities in the insurance market, including an analysis of the compliance of the methodologies used to establish such reserves with the risks of the bank, microfinance organisation, insurance (reinsurance) organisation or professional securities market participant, as well as the reliability of the information used to establish them;

8) assessment of a member of the board of directors – an independent director of the bank – against the independence requirements;

9) reviewing audit reports for conflicts of interest where the audit firm’s interests may influence its opinion on the reliability of the audited entity’s financial statements;

10) evaluation of a transaction entered into (or intended to be entered into) by the bank to identify any signs of high risk;

11) evaluation of the activities (transactions) of financial institutions, authorised agents and other financial market participants when offering financial products to consumers of financial services, with a view to identifying any unfair practices.

3. The composition of the collegial body of the authorized body, specified in part one of paragraph 2 of this Article, shall be approved by the Board of the authorized body from among the Deputy Chairmen of the authorized body, heads of structural divisions of the authorized body. The meetings of the collegial body of the authorized body shall be chaired by one of the Deputy Chairmen of the authorized body.

A reasoned judgment shall be used by the authorized body in compliance with the principles of legality, validity, objectivity and a unified approach.

The reasoned judgment shall be based on information obtained within the framework of the authorized body exercising control and supervision over the activities of the persons specified in subparagraph 1) of paragraph 1 of this Article and other information received from individuals and legal entities, international organizations, state bodies, including foreign supervisory bodies and organizations, other available sources and which shall be essential for the formation of the reasoned judgment.

When forming a reasoned judgment, the authorized body shall take into account the explanations of the persons specified in paragraph 1 of this Article, if any.

The draft of a reasoned judgment shall be sent to the person specified in paragraph 1 of this Article. The person specified in paragraph 1 of this Article, within five working days, must submit a reasoned response on agreement or disagreement with the draft of a reasoned judgment to the authorized body. Non-submission of a reasoned response by the person specified in paragraph 1 of this Article within the established term shall be considered as agreement with the draft a reasoned judgment.

Based on the results of consideration of a reasoned response on disagreement with the draft of a reasoned judgment in case of its submission by the person specified in paragraph 1 of this Article, the authorized body shall determine the need to submit the draft of a reasoned judgment for consideration by the collegial body of the authorized body.

4. In case of disagreement with the supervisory response measure applied by the authorized body on the basis of a reasoned judgment, the person specified in paragraph 1 of this Article, within ten working days from the date of application of the supervisory response measure, shall have the right to submit his/her objections to the authorized body in written form.

The objections in relation to application of a supervisory response measure shall be considered at the meeting with participation of the Chairman of the authorized body or shall be submitted for consideration by the Board of the authorized body at the proposal of the Chairman of the authorized body.

In the event that a supervisory response measure applied on the basis of a reasoned judgment may lead to a decrease in prudential standards and other mandatory norms and limits below the established values, the objections received shall be considered by the Board of the authorized body. The representatives of the person specified in paragraph 1 of this Article shall have the right to participate in consideration of the objections.

The objections must be considered within ten working days from the date of their receipt. The term for consideration of objections can be extended once for a period of not more than ten working days.

Based on the results of consideration of the objections of the person specified in paragraph 1 of this Article, the authorized body shall send a written notification of reasonable disagreement with the objections or cancellation of the supervisory response measure applied by the authorized body.

The supervisory response measure applied on the basis of a reasoned judgment shall enter into force upon the expiration of the term specified in part one of this paragraph, or from the day of sending a written notification about reasonable disagreement with the objections in case of their submission to the person, specified in paragraph 1 of this Article.

The person specified in paragraph 1 of this Article shall have the right to appeal the supervisory response measure applied on the basis of a reasoned judgment in the court.

The authorized body shall be responsible for the decisions recognized as illegal, made on the basis of a reasoned judgment, in accordance with the Civil Code of the Republic of Kazakhstan.

5. The authorized body shall publish the generalized practice of applying supervisory response measures using reasoned judgment taking into account the requirements for confidentiality.

6. The procedure for formation and use of a reasoned judgment shall be determined by the regulatory legal act of the authorized body.

7. The requirements of this Article shall apply to 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.

Footnote. The Law is supplemented with Article 13-5 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (for the procedure of entry into force, see Article 2); as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 18.07.2025 № 215-VIII (shall be enforced from 01.01.2026); № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 13-6. Information security authority for financial institutions

In order to ensure the information security of financial institutions, the authorized body in the relevant areas shall:

1) approve the procedure for assessing the level of protection against information security threats;

1-1) adopts normative legal acts that are mandatory for financial organizations in the sphere of regulation of the activities of financial organizations to ensure information security in accordance with the purposes and objectives provided for in paragraphs 1 and 3 of Article 3 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) approve the methodology for assessing information security risks, including the procedure for ranking financial institutions by the degree of exposure to information security risks;

3) approve the requirements for the competencies of managers and employees of information security departments, including requirements for advanced training of persons responsible for ensuring information security;

4) approve the requirements for information security incident response services, internal investigations of information security incidents;

5) ensure other functions and powers provided for by this Law, other Laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

The requirements of this Article shall apply to 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.

Footnote. Chapter 2 as added by the Article 13-6 in accordance with the Law of the RK dated 03.07.2019 № 262-VI (shall enter into force from 01.01.2021); as amended by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced ten calendar days after the day of its first official publication).

Article 14. Authority to receive and provide information

In order to ensure the qualitative and timely fulfillment of the functions of state regulation , control and supervision of the financial market and financial organizations, 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, implementation of the requirements of this Law and other Laws of the Republic of Kazakhstan, the authorized body shall have the right to receive free of charge from any individuals and legal entities, 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, as well as state bodies, the necessary information, including information constituting an official, commercial, banking and other secret protected by the Law. At the same time, the information received shall not be subject to disclosure.

The authorized body shall provide the information specified in the second part of this Article to the National Bank of the Republic of Kazakhstan, including by providing it with access to the information systems of the authorized body.

The authorised body shall furnish financial and other reports of organisations engaged in microfinance activities and debt collection agencies to self-regulatory organisations in the microfinance sector and to self-regulatory organisations in the debt collection sector for the purpose of monitoring the activities of their members (participants).

State bodies, financial and other organizations, their associations (unions), as well as individuals, branches of banks - non-residents 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 shall be obliged to provide

, at the request of the authorized body, including in electronic form and (or) through the information technology facilities of state bodies, documents, reports, including financial, and, if necessary, other additional information required for the authorized body to perform its functions.

Employees of the authorised body, a self-regulatory organisation in the field of microfinance and a self-regulatory organisation in the field of debt collection shall be liable for the disclosure of information obtained in the course of their control and supervisory functions, constituting official, commercial, banking or other secrets covered by law pursuant to the laws of the Republic of Kazakhstan.

Footnote. Article 14 in the wording of the Law of the RK dated 03.07.2019 № 262-VI (the procedure of entry into force see Article. 2); as amended by the Law of the Republic of Kazakhstan dated 30.06.2025 № 205-VIII (shall be enforced twelve months after the day of its first official publication); as amended by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall become effective upon expiry of sixty calendar days after the date of its first official publication).

Article 14-1. Interaction of the authorized body with the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan on the issues of stability of the financial system

The authorized body interacts with the National Bank of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan on the issues of stability of the financial system through:

1) informing each other about the proposed actions and the achieved results having national importance;

2) joint assessment of risk factors for financial stability;

3) development, adoption and implementation of a set of coordinated decisions in order to minimize systemic risk, prevent the occurrence of a financial crisis and minimize its consequences;

4) conclusion of an agreement on the issues of financial stability.

Footnote. The Law is supplemented with Article 14-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 15. Interaction of the authorized body with other state bodies of the Republic of Kazakhstan and bodies of other states, carrying out regulation, control and supervision of financial markets and financial organizations

Footnote. The title of Article 15 as amended by the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

1. An authorized body within the powers, provided to it by the legislative acts of the Republic of Kazakhstan, is independent in its activity. The state bodies shall not have a right

to intervene into activity of the authorized body on implementation of its legislatively vested powers, except for the cases, provided by the legislative acts of the Republic of Kazakhstan.

2. The authorized body co-ordinates its activities with other state bodies within the competence provided for by the legislation of the Republic of Kazakhstan.

The authorized body shall provide information, obtained in accordance with international treaties of the Republic of Kazakhstan, to other state bodies of the Republic of Kazakhstan, as well as to organizations specified in paragraph 4 of article 61 of the Law of the Republic of Kazakhstan "On the National Bank of the Republic of Kazakhstan", on the terms stipulated in this article.

The authorized body provides information received in accordance with international treaties of the Republic of Kazakhstan, treaties that provide for the exchange of confidential information to other state bodies of the Republic of Kazakhstan only with the consent of the party that provided it with such information.

3. Is excluded by the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

4. The authorized body cooperates with the control and supervisory bodies of other states, international and other organizations and has the right to exchange information constituting a trade secret on the securities market, bank secrets, insurance secrets or other secret protected the law, necessary for carrying out control and supervisory functions, on the basis and in accordance with the international treaty of the Republic of Kazakhstan, the contract providing for the exchange of confidential information with observance of confidentiality.

Other organizations specified in the first part of this paragraph shall be the Committee of the International Financial Center "Astana" on the regulation of financial services, the association of central banks, control and supervisory bodies of other states, created in order to develop unified standards for regulating the activities of the banking sector, the securities market and the insurance market.

Footnote. Article 15 as amended by the Laws of the Republic of Kazakhstan dated 28.12.2011 № 524-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 05.07.2012 № 30-V(shall be enforced upon expiry of ten calendar days after its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 03.07.2019 № 262 (shall be enforced from 01.01.2020); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Chapter 2-1. The procedure for organizing and carrying out control and supervision over the financial market and financial organizations and in the field of financial legislation of the Republic of Kazakhstan

Footnote. The Law is supplemented with chapter 2-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 15-1. Control and supervision over the financial market and financial organizations and in the field of financial legislation of the Republic of Kazakhstan

1. Control and supervision over the financial market and financial organizations and in the field of financial legislation of the Republic of Kazakhstan shall be performed by the authorized body and the National Bank of the Republic of Kazakhstan (hereinafter for the purposes of this chapter - control and supervision bodies) within their competence.

Control and supervision in the field of financial legislation of the Republic of Kazakhstan shall cover the exercise by the relevant control and supervisory authorities, within the limits of their competence, of control and supervision over compliance by financial organisations, their branches and affiliated entities, the Development Bank of Kazakhstan, the Export-Credit Agency of Kazakhstan, legal entities operating in the securities market, other securities market participants, securities issuers, credit bureaus, and operators of electronic trading platforms for the sale of banking and microfinance assets, banking holding companies, banking conglomerates, major shareholders in banks, insurance holding companies, insurance groups, major shareholders of insurance (reinsurance) organisations, organisations guaranteeing the payment of insurance claims, actuaries licensed to practise actuarial activities in the insurance market, special financial companies, Islamic special financial companies, and investment funds, major shareholders of investment portfolio managers; persons meeting the criteria for being a major shareholder of a bank, insurance (reinsurance) organisation, investment portfolio manager, banking holding company or insurance holding company; professional organisations; debt collection agencies; participants in payment systems; and operators and operational centres of payment systems, including any other person authorised under a contract with them to deliver services for the operation of the payment system, payment service providers, including any other person authorised under a contract with them to perform payment service functions, payment organisations, digital asset service providers, excluding digital asset service providers that are members of the Astana International Financial Centre, organisations responsible for the custody of the underlying asset of a digital financial asset, and issuers of digital financial assets, as well as persons engaged in foreign exchange transactions, provisional administrations (provisional administrators), liquidation commissions of banks, insurance (reinsurance) organisations, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan, liquidation commissions of branches of banks that are non-residents of the Republic of Kazakhstan, branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan, branches of insurance brokers that are non-residents of the Republic of Kazakhstan, the Financial Ombudsman (hereinafter referred to as the entity under inspection) the requirements laid down by the banking and foreign exchange legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on insurance and insurance activities, payments and payment systems, digital assets, social protection, the securities market, accounting and financial reporting, credit bureaux and the compilation of credit histories, postal services, the Development Bank of Kazakhstan, microfinance activities, debt collection activities, the Insurance Guarantee Fund, the prevention of money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction, self-regulation, limited liability and additional liability partnerships, joint-stock companies, investment and venture capital funds, this Law and other laws of the Republic of Kazakhstan, as well as the rules on the automation of accounting procedures approved by the National Bank of the Republic of Kazakhstan, regulatory legal acts of the authorised body governing issues linked to the activities of the operator of an electronic trading platform for the sale of banking and microfinance assets and the operation of such a platform, identifying infringements of the rights and legitimate interests of consumers of financial services, infringements that pose a threat to the national and economic security of the Republic of Kazakhstan and the stability of its financial system, and highlighting shortcomings and/or risks in the activities of financial institutions, banking conglomerates and/or insurance groups.

2. Based on the results of the audit, in line with this Law and other laws of the Republic of Kazakhstan, the supervisory authority shall initiate administrative proceedings and/or apply other measures, including restrictive measures stipulated by the laws of the Republic of Kazakhstan, where it identifies during the performance of its supervisory functions any breaches by the entities being audited of the requirements of the legislation of the Republic of Kazakhstan, or any shortcomings and/or risks in the activities of financial organisations, branches of non-resident banks in the Republic of Kazakhstan, branches of insurance (reinsurance) organisations – non-residents of the Republic of Kazakhstan, branches of insurance brokers that are non-residents of the Republic of Kazakhstan, banking conglomerates and/or insurance groups.

Based on the results of supervision, the control and supervision body in accordance with this Law and other Laws of the Republic of Kazakhstan and in the event that violations of the requirements of the legislation of the Republic of Kazakhstan, deficiencies and (or) risks in the activities of financial institutions, 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, banking conglomerates and (or) insurance groups shall apply the measures stipulated by the Laws of the Republic of Kazakhstan, including restrictive measures, without initiating administrative proceedings.

3. The body for control and supervision shall carry out control and supervision in the forms of inspection and other forms in accordance with this Law and other laws of the Republic of Kazakhstan.

Footnote. Article 15-1 as amended by the Law of the RK dated 02.01.2021 № 399-VI (the procedure of entry into force see Article. 2); dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023); dated 23.01.2024 № 54-VIII (shall be enforced upon expiration of sixty calendar days after the day of its first official publication); dated 19.06.2024 № 97-VIII (shall come into force sixty calendar days after the date of its first official publication); № 259-VIII of 16.01.2026 (see Article 2 for the enactment procedure).

Article 15-2. Types of checks

1. The body for control and supervision, within its competence, shall independently or with involvement of other state bodies and (or) organizations conduct checks on the basis of the risk degree assessment, unscheduled and documentary checks of the activities of the audited subjects, either randomly or selectively on certain issues of their activities.

When auditing the activities of the entities being audited, the regulatory and supervisory authority shall have the right to examine the activities of the entities' affiliates solely for the purpose of establishing the extent and nature of their influence on the activities of the entities being audited.

The requirements of this paragraph shall not apply to non-residents of the Republic of Kazakhstan who are major shareholders of a financial institution, banking holding companies, insurance holding companies, or persons who meet the criteria for being a major shareholder of a financial institution, banking holding company or insurance holding company, where one of the following conditions is met:

possession of an individual credit rating of at least "A" from one of the rating agencies listed by the authorised body, as well as written confirmation from the financial supervisory authority of the state where the major shareholder of the financial organisation – a legal entity , a banking holding company, an insurance holding company, a person possessing the features of a major shareholder of a financial organisation or a banking holding company, or an insurance holding company, to the effect that the said persons – non-residents of the Republic of Kazakhstan – are subject to consolidated supervision;

the existence of an information exchange agreement between the authorised body and the relevant supervisory authority of a foreign state, as well as a minimum required rating from one of the rating agencies. The minimum rating and the list of rating agencies shall be established by a regulatory legal act of the authorised body.

When conducting an audit of the activities of a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, or a branch of an insurance broker that is a non-resident of the Republic of Kazakhstan, the authorised body shall reserve the right to obtain details about the activities of the bank that is a non-resident of the Republic of Kazakhstan, the non-resident insurance (reinsurance) organisation of the Republic of Kazakhstan, or the non-resident insurance broker of the Republic of Kazakhstan from the financial supervisory authority of the state of which the non-resident bank of the Republic of Kazakhstan, the non-resident insurance (reinsurance) organisation of the Republic of

Kazakhstan, an insurance broker that is a non-resident of the Republic of Kazakhstan, within the framework of an agreement on the exchange of information between the authorised body and the relevant supervisory authority of the foreign state of which the non-resident bank of the Republic of Kazakhstan, the non-resident insurance (reinsurance) organisation of the Republic of Kazakhstan, or the non-resident insurance broker of the Republic of Kazakhstan is a resident.

2. A check on the basis of a risk assessment is a check carried out within the competence by the body for control and supervision with a visit to the audited subject and appointed on the basis of the risk degree assessment in relation to the audited subject.

Check of a subject based on the risk degree assessment shall be carried out within the competence by the body for control and supervision no more than once a year.

The list of subjects to be checked shall be compiled within the competence by the body for control and supervision on a six-month basis, taking into account the assessment of risks associated with the activities of the checked subjects.

The list of subjects to be checked based on the risk degree assessment shall be approved within the competence by the head of the body for control and supervision or other authorized officials on the basis of the relevant order of the head of the body for control and supervision.

3. An unscheduled check shall be carried out within the competence by the body for control and supervision with a visit to the checked object in the following cases:

1) in connection with the receipt of applications from individuals and legal entities and requests from state bodies submitted in the manner established by the legislation of the Republic of Kazakhstan, as well as receipt of other information on violations of the legislation of the Republic of Kazakhstan;

2) if violations of the requirements of the legislation of the Republic of Kazakhstan or deficiencies and (or) risks that may lead to the creation of a provision threatening the stable functioning of a financial institution, a branch of a non-resident bank of the Republic of Kazakhstan, a branch of a non-resident insurance (reinsurance) organization of the Republic of Kazakhstan, a branch of a non-resident insurance broker of the Republic of Kazakhstan, a banking conglomerate, an insurance group and (or) the interests of their clients are identified within the framework of monitoring and supervisory functions;

3) in the presence of a threat to the national and economic security of the Republic of Kazakhstan, the stability of its financial system;

4) in order to control the elimination of violations of the requirements of the legislation of the Republic of Kazakhstan revealed by the previous check;

5) in the event of a decision being taken to place the bank under enhanced supervision, a financial stability restoration regime or a resolution regime, as well as for the purpose of evaluating the bank’s viability;

6) where a decision is taken to apply a regime of enhanced supervision or a financial stability restoration regime to a branch of a bank that is not a resident of the Republic of Kazakhstan.

An unscheduled check may simultaneously cover the activities of several subjects on the issues of their compliance with certain requirements of the legislation of the Republic of Kazakhstan.

4. Documentary check shall be carried out within the competence of the body for control and supervision without visiting the inspected subject in the form of a request for the documents and information when signs of violations of the requirements of the legislation of the Republic of Kazakhstan are revealed in the process of analyzing administrative data or in connection with receipt of applications from individuals, legal entities and state bodies and other information requiring check of compliance with the legislation of the Republic of Kazakhstan on the issues related to the competence of the body for control and supervision.

Footnote. Article 15-2 as amended by the Law of the RK dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020); № 259-VIII of 16.01.2026 (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 15-3. The general procedure for organizing and conducting a check based on the risk degree assessment, unscheduled check

1. Check based on the risk degree assessment and unscheduled check shall be carried out within the competence by the body for control and supervision on the basis of the act on appointment of a check, approved by the deputy head of the body for control and supervision, heads of territorial divisions of the body for control and supervision or other authorized officials on the basis of an appropriate order.

In cases of appointment of a check on the basis of the risk degree assessment or an unscheduled check, the acts on appointment of a check shall be recorded in the journal of registration of acts on appointment of a check. The subdivisions of the bodies for control and supervision, within their competence, shall keep separate journals of registration of acts on appointment of a check.

The body for control and supervision, within its competence, shall register an act on appointment of a check in the authorized body for legal statistics and special accounting no later than two working days after the start of the check.

The act on appointment of the check shall indicate:

1) the number and date of the act;

2) the surname, initials and position of the inspectors, as well as the persons entrusted with the supervision of the check;

3) the name of the audited subject, in respect of which the check is assigned, its location;

4) type of check;

5) the issues to be checked;

6) the term of the check;

7) the checked period.

2. The start of the check based on the risk degree assessment, an unscheduled check shall be the date of delivery of a copy of the act on appointment of the check to the head (his/her deputy) of the audited subject. After handing over a copy of the act on appointment of the check to the audited subject, a mark on the receipt and familiarization with the act on appointment of the check shall be put on its original.

Should the act appointing the audit be rejected or should officials of the supervisory and control body conducting the audit be prevented from examining the documents required for the audit, a corresponding report shall be drawn up and signed by the official of the supervisory and control body conducting the audit. Should an employee of the entity being audited refuse to accept the act appointing the audit, a corresponding entry shall be made in the act. Refusal to accept the act appointing the audit shall not constitute grounds for cancelling the audit. Where the entity being audited refuses to furnish documents or information within the time limits specified in the audit team's requests, or fails to meet the conditions set out in this Article, thereby rendering it impossible to conduct the audit within the prescribed time limits, or where it is impossible to compile the audit materials due to the entity's refusal to furnish all necessary data, documents and information, including copies of the documents audited for inclusion in the audit materials, the audit shall be deemed not to have taken place by decision of the head of the audit in agreement with the official authorised to approve the act appointing the audit.

When a copy of the act on the appointment of a check is handed over to an employee of the checked subject or its founder (one of the founders), a copy of the act on appointment of the check with a mark on its receipt by the head (his/her deputy) of the checked subject must be submitted to the officials of the body for control and supervision within two working days from the date of delivery of the act on appointment of the check.

If it is impossible to deliver a copy of the act on appointment of the check to an employee of the checked subject or its founder (one of the founders), it shall be sent by registered mail with notification at the place of registration of the checked subject and (or) its head (his/her deputy). If the letter is returned and it is impossible to deliver the act on appointment of the check within the terms, established for its conduct, the check shall be considered to be invalid . In this case, the head of check shall notify the official, authorized to approve the act on appointment of the check in written form.

3. The audited subject, no later than the next day after the start of the check, shall submit a letter addressed to the head of the check or the employee of the body for control and supervision, containing data on:

1) the head responsible for ensuring the conduct of the check, as well as for familiarization and signing of the act on completion of the check, the intermediate act and (or) the act on the results of the check, and the person replacing him/her;

2) the specialists of the audited subject responsible for preparation of the necessary documents (information), their timely transfer to the auditing employees and (or) receiving intermediate acts from the auditing employees.

4. The period of inspection based on risk assessment and unscheduled inspection shall not exceed thirty working days. Due to the significant scope of the audit, the time frame for the risk-based audit, unscheduled inspection can be extended on the basis of an additional act on the extension of the inspection, approved by the deputy head of the control and supervision body, heads of territorial divisions of the control and supervision body or other authorized officials on the basis of the relevant order, only once for a period of not more than thirty working days, and with respect to a bank, a branch of a non-resident bank of the Republic of Kazakhstan, classified as a bank, branches of non-resident banks of the Republic of Kazakhstan with an unstable financial situation that threatens the interests of its depositors and creditors and (or) threat to the stability of the financial system, or to the category of insolvent banks, branches of non-resident banks of the Republic of Kazakhstan, for a period of more than thirty working days.

5. The audited subject shall be obliged to provide the checking employees with permission to enter their administrative buildings (including on holidays and weekends), a separate room for work equipped with office equipment and long-distance communication, provide access to information related to the activities of the subject being checked, including automated systems and databases in real time without the possibility of correcting data (in viewing mode with the possibility of displaying data on paper), provide the checking employees with the ability to make copies of the necessary documents, including in electronic form, as well as provide explanations (oral and written) to the questions of the checking employees and assist the checking employees in completing the check in a timely manner.

The requirements of part one of this paragraph in terms of the obligation to provide a separate room for work, equipped with office equipment and long-distance communication, do not apply to the audited subjects that are subjects of small entrepreneurship.

6. Checking employees shall send written requests to the head of the audited subject, the head responsible for ensuring the conduct of the check, or other authorized employee of the audited subject, which are subject to execution within the specified terms.

On the day the request is received from the inspectors, or within the time limits specified in the request, the entity being inspected must furnish all data, information and documents—including copies thereof—for the purposes of the audit and for inclusion in the audit file.

7. When replacing a checking employee (changing the composition of the checking group), an additional act shall be drawn up, which indicates the number and date of the previously drawn up act on appointment of the check and the basis for replacing the checking employee (changing the composition of the checking group).

7-1. When performing an audit based on a risk evaluation or an unannounced audit, inspectors shall be entitled to:

1) make audio, photographic and video recordings;

2) use records from technical monitoring equipment, surveillance and recording devices, and photographic and video equipment relevant to the matter being audited, based on a risk assessment, during an unscheduled audit.

8. The date of completion of the check based on the risk degree assessment, an unscheduled check shall be the date of delivery of the act on completion of the check to the audited subject entity. The act on completion of the check based on the risk degree assessment, an unscheduled check shall be signed by the head of the check and his/her immediate supervisor and handed over to the audited subject no later than the end of the term of conducting the check, specified in the act on appointment of the check.

9. While the National Bank of the Republic of Kazakhstan is conducting an audit, the audit may not be terminated upon a request from the authorised organisation to voluntarily surrender its licence for foreign currency exchange operations.

Footnote. Article 15-3 as amended by the Law of the RK dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020); № 259-VIII of 16.01.2026 (shall be enacted upon expiry of sixty calendar days after the date of its first official publication).

Article 15-4. Features of conducting a documentary check

1. A documentary check does not require an act of appointment.

2. In case of documentary check, in order to clarify additional circumstances, a request signed by an authorized official shall be sent to the audited subject, which indicates:

1) the name of the audited subject, its location;

2) the basis for documentary check;

3) a list of documents and data that the entity being audited is required to furnish to the supervisory and regulatory authority;

4) the term for submission of the requested materials;

5) information requiring explanations from the audited subject, if necessary.

3. The entity being audited shall furnish the requested documents, data and explanations no later than fifteen working days from the date of receipt of the request, unless otherwise specified in the request.

4. Completion of a documentary check shall be the date of signing of the conclusion on its results by the authorized official, which does not require signing by the audited subject.

Where it is not possible to complete the documentary audit, the date upon which the authorised official signs the decision stating that the documentary audit cannot be completed shall be deemed to be the date of termination of the audit.

Footnote. Article 15-4 as amended by Law № 259-VIII of 16.01.2026 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 15-5. Other issues of checks

1. Checking employees of the body for control and supervision, if necessary, shall draw up intermediate acts, which are presented to the audited subject for familiarization

2. The audited subject, within two working days from the date of receipt of the intermediate act, shall return one copy of the intermediate act, signed by the head (his/her deputy) or the head responsible for ensuring the conduct of the check, and, if there are any comments on the content of the intermediate act, shall submit his/her written objections to the head of the check.

The conclusions set out in the intermediate acts shall be preliminary and can be revised in the act on the results of the check, taking into account the objections received from the audited subject and additional information, including from third parties.

3. Within thirty working days from the date of the end of the check, based on the risk degree assessment, an unscheduled check, two copies of the act on the results of the check, signed by the checking employees of the body for control and supervision, the head of the check and his/her immediate supervisor shall be sent to the head of the audited subject.

The following information shall be indicated in the act on the results of the check:

1) the date and place of drawing up the act;

2) the name of the body that conducted the check;

3) the date and number of the act on the appointment of the check, on the basis of which the check was conducted;

4) the surname, initials and position of the person (s) who conducted the check (s);

5) the name of the audited subject, its location, business identification number (if any), surname, first name, patronymic (if any) of the head of the audited subject or his/her representative;

6) the place and period of conducting the check;

7) information about the results of the check, including the violations revealed;

8) information about familiarization of the head (his/her deputy) or the head responsible for ensuring the conduct of the check of the audited subject, or another person specified in paragraph 7 of this Article, with the act on the results of the check;

9) the signature of the official (s) who conducted the check.

The act on the results of the check may be accompanied by the necessary documents, information or their copies related to the results of the check.

4. The head (his/her deputy) or the head responsible for ensuring the conduct of the check of the audited subject shall accept the first copy of the act on the results of the check, endorse each sheet of the second copy of the act, indicate on its last sheet a mark on the date of receipt indicating the position, surname, name patronymic (if any) and no later than the next day after receiving the act on the results of the check, send it to the body for control and supervision. The results of the check, set out in the act on the results of the check, shall be brought by the

audited subject to the attention of the executive and other management bodies of the audited subject.

5. If there are objections to the results of the check, the audited subject shall submit them to the body for control and supervision in writing within ten working days from the date of receipt of the act on the results of the check.

6. The results of the check of the audited subject, set out in the act on the results of the check based on the risk degree assessment, an unscheduled check, if necessary, shall be considered at a meeting chaired by the head of the body for control and supervision (his/her deputies), heads of departments of the body for control and supervision, persons who entrusted with the leadership of the check, with invitation of the heads of the audited subject.

The results of the meeting shall be drawn up in a protocol signed by the Chairman of the meeting, and within five working days from the date of signing shall be sent to the head of the audited subject for familiarization. If there are objections, the audited subject shall submit them in writing to the body for control and supervision within three working days from the date of receipt of the protocol of the meeting.

If the body for control and supervision disagrees with the objections of the audited subject to the protocol of the meeting, the final decision shall be made by the head of the body for control and supervision or his/her deputy and brought to the attention of the head of the audited subject.

7. The act on the results of the check based on the risk degree assessment, an unscheduled check by the audited subject shall be signed by the head, his/her deputy or the head responsible for ensuring the conduct of the check.

In the absence of the head of the audited subject, his/her deputy or the head responsible for ensuring the conduct of the check, an act on the results of the check based on the risk degree assessment, an unscheduled check by the audited subject may be signed by its founder (one of the founders) or another employee acting on behalf of the audited subject, including on the basis of an appropriate order and (or) the power of attorney.

8. In cases of absence of the persons specified in paragraph 7 of this Article, and impossibility of delivering them an act on the results of the check for signing, the act on the results of the check shall be considered executed from the date of signing the act on the results of the check by the checking persons.

9. The results of the check shall be used exclusively for the purpose of performing its functions within its competence by the body for control and supervision.

10. The act on the results of the check based on the risk degree assessment, an unscheduled check cannot be used by the audited subject to confirm its financial solvency for advertising or other purposes, as well as transferred without the consent of the body for control and supervision to third parties, except for cases provided for by the laws of the Republic Kazakhstan.

11. Where there is a discrepancy between the documentary data in the financial and other reports filed by the audited entity with the regulatory authority and the data set out in the risk-based audit report, the entity being audited shall bring its reports into line with the actual data specified in the audit report, including for previous reporting dates.

12. The audited subject, within the term established by the body for control and supervision, shall submit for approval an action plan with planned measures, responsible executors and deadlines for eliminating violations and deficiencies identified during the check .

After agreeing on the action plan with the body for control and supervision, the audited subject shall submit the reports on elimination of violations and deficiencies or explanations about the reasons for non-fulfillment of the obligations assumed under the action plan.

13. Violation by the audited subject of the requirements, specified in part four of paragraph 2, paragraphs 3, 5 and 6 of Article 15-3, paragraph 3 of Article 15-4 of this Law, as well as in paragraphs 2, 4 and 12 of this Article, shall be the basis for application of limited measures of influence, measures of supervisory response and sanctions provided for by the laws of the Republic of Kazakhstan to the audited subject or its head.

14. The employees of the body for control and supervision shall be prohibited from disclosing or transferring of information obtained during the check of activities of the audited subject to third parties.

15. Persons carrying out the check shall be responsible for the disclosure of information obtained during the check of activities of the audited subject and constituting a secret protected by the Law, in accordance with the laws of the Republic of Kazakhstan.

Footnote. Article 15-5 as amended by Law № 259-VIII of 16.01.2026 (shall become effective sixty calendar days after the date of its first official publication).

Article 15-6. Other forms of control and supervision

1. The authorized body shall carry out other forms of control and supervision by:

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

2) remote supervision, including on a consolidated basis, in relation to financial organizations, their large participants, bank and insurance holdings, organizations included in the banking conglomerate and insurance group, 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, an organization guaranteeing the implementation of insurance payments, in accordance with the procedure established by the Laws of the Republic of Kazakhstan;

3) consideration, within the competence established by the legislation of the Republic of Kazakhstan, of documents on the approval, issuance and revocation of permits, consents, licensing, registration of securities issuances, approval of reports on the results of placement (

redemption) of securities, cancellation of securities issuances provided for by the laws of the Republic of Kazakhstan, information about affiliated persons;

3-1) consideration, within the competence established by the legislation of the Republic of Kazakhstan, of documents on issues of registration of collection agencies;

4) consideration within the competence established by the legislation of the Republic of Kazakhstan of documents provided for by regulatory legal acts regulating the procedure for notifying the authorized body of the approval of financial products by financial organizations, branches of the non-resident bank of the Republic of Kazakhstan, branches of the insurance (reinsurance) organization - non-resident of the Republic of Kazakhstan, as well as the list of documents attached to the notification, the procedure for notifying the authorized body of the approval of microcredit services by organizations engaged in microfinance activities, as well as the list of documents attached to the notification;

5) inspection of the security system and compliance with the requirements for premises, electronic and other equipment of participants in the credit history system and the insurance database;

6) sending their representative to financial organizations, 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 in the cases and procedure established by the Laws of the Republic of Kazakhstan;

7) monitoring of issuers of equity securities for compliance with the requirements established by the legislation of the Republic of Kazakhstan on joint stock companies and the securities market, in the manner prescribed by the laws of the Republic of Kazakhstan;

8) consideration of reports and other information submitted by interim administrations (interim administrators), liquidation commissions of banks, insurance (reinsurance) organizations and liquidation commissions of branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations of the Republic of Kazakhstan;

9) the appointment and release of the chairman and members of the liquidation commissions, taking into account the branches and representative offices of the forcibly liquidated bank, the insurance (reinsurance) organization, the liquidation commissions forcibly terminating the activities of the branch of the non-resident bank of the Republic of Kazakhstan, the branch of the non-resident insurance (reinsurance) organization of the Republic of Kazakhstan;

10) approval of the interim liquidation balance and the register of creditors' requirements of the forcibly liquidated bank, the insurance (reinsurance) organization forcibly terminating the activities of the branch of the non-resident bank of the Republic of Kazakhstan, the branch of the non-resident insurance (reinsurance) organization of the Republic of Kazakhstan, the composition of the committee of creditors voluntarily or forcibly liquidated banks, insurance (

reinsurance) organizations, voluntarily or forcibly terminating the activities of the branch of the non-resident bank of the Republic of Kazakhstan, the branch of the insurance (reinsurance) organization- non-resident of the Republic of Kazakhstan;

11) approval of the report on liquidation and the liquidation balance sheet of the forcibly liquidated bank, insurance (reinsurance) company;

11-1) approval of a report on liquidation of a non-resident bank branch of the Republic of Kazakhstan, a branch of a non-resident insurance (reinsurance) organization of the Republic of Kazakhstan;

12) holding meetings and discussions of the audited subjects based on the results of control and supervision of their activities;

13) evaluation (analysis) of the financial and asset position of a bank or a branch of a bank that is not a resident of the Republic of Kazakhstan, in respect thereof a decision has been taken to apply a regime of enhanced supervision or a regime for the restoration of financial stability, including through on-site visits to the bank and/or the engagement of valuers, audit firms and/or other specialist organisations, the services whereof are paid for (reimbursed) from the bank’s funds;

13-1) an estimate of the bank’s viability for the purpose of deciding whether to place the bank under resolution or to revoke its banking licence to engage in all types of operations;

13-2) drawing up a resolution plan for a systemically important bank, including reviewing the issue of state involvement in its resolution;

14) approval of the report by the bank’s provisional administration or the provisional administration (provisional administrator) of an insurance (reinsurance) organisation on the work performed;

15) consideration of calculations of indicators characterizing the compliance with prudential standards, other indicators and criteria (standards) by the organizations carrying out microfinance activities

16) analysis of the activities of collection agencies for compliance with the requirements of the legislation of the Republic of Kazakhstan on collection activities, as well as analysis of information, documents and materials of audio and (or) video recording (if any) submitted by the collection agency in accordance with subparagraph 15) of paragraph 1 of Article 15 of the Law Of the Republic of Kazakhstan "On Collection Activities";

17) maintaining a register of collection agencies;

18) monitoring advertising of financial institutions.

2. The National Bank of the Republic of Kazakhstan shall carry out other forms of control and supervision by:

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

2) consideration, within the competence established by the legislation of the Republic of Kazakhstan, of documents on the issues of issuance and revocation of permits, licensing, provided for by the laws of the Republic of Kazakhstan;

3) inspection of exchange offices of authorized organizations for compliance with qualification requirements;

3-1) inspection of the premises of legal entities whose exclusive activity shall be the collection of banknotes, coins and valuables for compliance with qualification requirements;

4) giving to the agents of currency control of instructions mandatory for their execution in order to properly carrying out currency control;

5) holding meetings and discussions of the audited subjects

based on the results of control and supervision of their activities;

6) analysis and assessment of functioning of payment systems, as well as services provided by the providers of payment service;

7) examination of the participants of systemically important payment systems for compliance with the requirements for organizational measures and software and hardware means, providing the access to payment systems, as part of carrying out monitoring for systemically important payment systems;

8) maintaining the registers of payment systems, payment organizations, significant providers of payment services.

Footnote. Article 15-6 as amended by the Law of the RK dated 03.07.2020 № 359-VI (shall enter into force from 01.01.2021); dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020); dated 24.05.2021 № 43-VII (shall enter into force upon the expiry of ten calendar days after the day of its first official publication); dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 19.06.2024 № 97-VIII (shall come into force sixty calendar days after the date of its first official publication); № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 15-7. Remote supervision

1. Remote supervision shall be one of other forms of control and supervision and be carried out by the authorized body within its competence in relation to financial organizations , their large participants, bank and insurance holdings, organizations included in the banking conglomerate and insurance group, 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, an organization guaranteeing the implementation of insurance payments (hereinafter referred to as the remote supervision entities).

2. Remote supervision shall be carried out by the authorized body on a permanent basis by analyzing the activities of the subjects of remote supervision and interaction with the bodies of the subjects of remote supervision in the purpose of:

1) monitoring and supervising enforcement of banking legislation of the Republic of Kazakhstan, legislation of the Republic of Kazakhstan on insurance and insurance activities, social protection, the securities market, microfinance activities, accounting and financial reporting, postal services, the Development Bank of Kazakhstan, self-regulation, debt collection, and investment and venture capital funds;

2) identifying the factors affecting the deterioration of financial situation of financial organizations, identifying and assessing existing and potential risks, the degree of their impact on sustainable activities of the subjects of remote supervision.

3. Analysis of the activities of the subjects of remote supervision shall be carried out by the authorized body on the basis of reports submitted by the subjects of remote supervision, and other information, including information obtained within the framework of interdepartmental and international cooperation.

4. Within the framework of remote supervision, the authorized body shall have the right to request from the remote supervision subjects and their officials in writing the information and documents, including financial statements and materials of meetings (including those held in absentia) of the bodies of the remote supervision subjects.

The subjects of remote supervision shall be obliged to submit the information and documents specified in the request of the authorized body within the terms established by the authorized body.

Footnote. Article 15-7 as amended by the Law of the Republic of Kazakhstan dated 20.04.2023 № 226-VII (shall be enforced from 01.07.2023); dated 19.06.2024 № 97-VIII (shall come into force sixty calendar days after the date of its first official publication); № 259-VIII of 16.01.2026 (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 15-8. Risk-oriented approach within the framework of control and supervision

1. The authorized body shall apply a risk-oriented approach within the framework of control and supervision over the activities of banks, banking conglomerates, organizations engaged in certain types of banking operations, insurance (reinsurance) organizations, insurance groups, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan, organizations engaged in brokerage and (or) dealer activities in the securities market, activities to manage the investment portfolio.

The main objectives of the risk-oriented approach shall be to identify and prevent risks and deficiencies in the activities of the persons specified in the first part of this paragraph, in order to intervene early and take timely supervisory actions to ensure their financial stability and prevent an increase in risks in their activities.

The risk-based approach is based, inter alia, on a motivated judgment formed on the basis of a quantitative and qualitative analysis of the activities of the persons specified in part one of this paragraph, an analysis of their risk management and internal control systems, including analysis and assessment of the business model, corporate governance, countering the legalization (laundering) of proceeds from crime, financing of terrorism and financing the proliferation of weapons of mass destruction, the level of capital and liquidity to cover risks, evaluation of internal procedures for determining the required level of equity and liquidity, as well as analysis and evaluation, taking into account the nature and scale of the activities of the persons specified in part one of this paragraph.

2. Risk-oriented approach within the framework of control and supervision over the activities of the persons specified in part one of paragraph 1 of this Article takes into account the principle of proportionality, which implies:

taking into account the size, significance, nature, scale and complexity of their activities;

categorization according to their importance in the financial market;

determination of frequency, depth and intensity of control and supervision.

3. The authorized body, based on the results of control and supervision on the basis of a risk-oriented approach, shall notify the persons specified in part one of paragraph 1 of this Article, on the identified risks and deficiencies and apply supervisory response measures and (or) sanctions in accordance with the laws of the Republic of Kazakhstan.

4. The procedure for applying the risk-oriented approach within the framework of control and supervision over the activities of the persons specified in part one of paragraph 1 of this Article shall be determined by the legal act of the authorized body, shall be the confidential information and not subject to publication in the media.

Article 15-9. The task, functions, rights and obligations of the representative

1. In order to perform control and supervisory functions, the authorized body shall send its representative, who is appointed by the authorized body from among its employees, to banks, bank holdings, organizations engaged in investment portfolio management activities, insurance (reinsurance) organizations, insurance holdings, an organization guaranteeing insurance payments to insurers (insured, beneficiaries) in case of liquidation of insurance organizations.

The number of representatives in the organizations specified in part one of this paragraph shall be determined by the authorized body.

2. The representative in his/her activity shall be guided by this Law, regulatory legal acts of the authorized body and other legislation of the Republic of Kazakhstan.

3. The authorized body shall have the right to replace its representative at any time in the organizations specified in part one of paragraph 1 of this Article.

4. The main task of the representative is to ensure the implementation of control and supervisory functions of the authorized body.

5. The representative, in order to implement the tasks assigned to him/her, shall perform the following functions:

1) analyzes the financial status of the organization in which he/she is a representative;

2) controls compliance with regulatory legal acts, requests, instructions, requirements of the authorized body;

3) makes proposals for conducting a check in the organization in which he/she is a representative;

4) is present as an observer at the meetings of the Board, Board of directors, permanent or temporary acting commissions (committees, working groups) of the organization in which he/she is a representative;

5) is present at the general meeting of shareholders (participants) of the organization in which he/she is a representative, as an observer without the right to vote and express an opinion on the issues of the general meeting agenda of shareholders (participants).

6. The representative shall have the right to:

1) request from the organization, in which he/she is a representative, and (or) its officials, in oral and written form, the information and documents, including financial statements and materials of meetings (including those held in absentia) of bodies, in order to perform the functions assigned to him/her;

2) have access to automated systems and databases without the possibility of correcting data (in viewing mode).

7. The representative shall be obliged to:

1) inform the authorized body about non-submission or untimely submission by the organization in which he/she is a representative of the information and documents requested by him, the facts of obstruction of the representative of the authorized body from performing his/her functions, bribery, threat or other unlawful influence on him/her by this organization;

2) perform other functions on behalf of the authorized body on the issues specified in the decision of the authorized body on sending its representative to the organization specified in part one of paragraph 1 of this Article.

8. The organizations specified in part one of paragraph 1 of this Article shall be obliged to :

1) assist the representative in performance of his/her functions;

2) ensure the possibility of full and timely provision of information to the representative by officials and employees of the organizations specified in part one of paragraph 1 of this Article, and access to all sources of information;

3) submit all the necessary information and documents on the day of receipt of the request from the representative or within the terms established in the request and agreed with them;

4) provide access to information related to their activities, including automated systems and databases, without the possibility of correcting data (in viewing mode);

5) provide the representative with the copies of documents necessary to perform the functions assigned to him/her.

9. The representative shall be responsible for the disclosure of information obtained in the course of carrying out control and supervisory functions, constituting official, commercial, banking secrets, secrets of pension savings, insurance or other secrets protected by law, in accordance with the laws of the Republic of Kazakhstan, including after termination of work in the authorized body.

The representative cannot be employed by the organization in which he/she was a representative within one year after the termination of work in the authorized body.

The representative shall not be responsible for the results and decisions taken (adopted) during the meetings of the bodies of the organization in which he/she is or was a representative.

10. The requirements of this Article shall apply to branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) organizations - non-residents of the Republic of Kazakhstan.

Footnote. Article 15-9 as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication).

Article 15-10. Monitoring of issuers of non-government equity securities

1. Monitoring of issuers of non-state equity securities shall be carried out by the authorized body for compliance with the requirements of the legislation of the Republic of Kazakhstan on the securities market and on joint stock companies:

1) when carrying out state registration of an issuance of non-state equity securities, registration of changes and (or) additions to the prospectus for the issuance of non-state equity securities, approval of a report on the results of placement or redemption of non-state equity securities and a report on the exchange of placed shares of a joint-stock company of one type for the shares of this joint stock company of another type;

2) on disclosure of information on their activities by the issuers of non-state equity securities.

2. Monitoring of the issuers of non-state equity securities shall be carried out by the authorized body on the basis of information provided by the issuers of non-state equity securities, and other information, including that obtained within the framework of interdepartmental and international cooperation.

3. Within the framework of conducting the monitoring of the issuers of non-state equity securities, the authorized body shall have the right to request from the issuers of non-state equity securities and their officials, in writing, the information and documents, including

financial statements and materials of meetings (including those held in absentia) of the bodies of issuers of non-state equity securities.

The issuers of non-state equity securities shall be obliged to submit the information and documents requested by the authorized body within the terms established by it.

Chapter 2-2. Employees of the authorized body

Footnote. The Law was supplemented with Chapter 2-2 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 15-11. Composition of positions of employees of the authorized body

The employees of the authorized body shall be the persons, not related to administrative state and civil servants, holding the positions in the authorized body.

The remuneration of employees of the authorized body is paid on the basis of the remuneration system of employees of the authorized body.

The positions composition of employees of the authorized body includes the following positions:

1) political civil servants;

2) employees of the authorized body;

3) technical employees of the authorized body.

The employees of the authorized body shall be the persons, not related to civil servants, carrying out official powers in the authorized body aimed at implementing the tasks and functions of the state.

The position of an employee of an authorized body is occupied after receiving positive results of a mandatory special inspection.

A person who has not received positive results of a mandatory special inspection cannot be appointed to the position of an employee of an authorized body.

Official powers are understood as the rights and obligations provided for by a specific civil service position of employees of the authorized body that meets the goals and objectives of the authorized body.

The list of positions of employees of the authorized body shall be approved by the President of the Republic of Kazakhstan.

Technical employees of the authorized body shall be the persons, not related to civil servants, performing labor duties on maintaining and ensuring the functioning of the authorized body.

The list of positions of technical employees shall be approved by the Chairman of the authorized body.

The labor of employees of the authorized body shall be regulated by the Labor Code of the Republic of Kazakhstan with the features established by this Law, as well as other regulatory legal acts of the Republic of Kazakhstan and acts of the authorized body.

Footnote. Article 15-11 as amended by the Law of the Republic of Kazakhstan dated 23.12.2023 № 51-VIII (shall be enforced ten calendar days after the day of its first official publication); dated 19.06.2024 № 97-VIII (shall come into force on 01.07.2024).

Article 15-12. Termination of an employment contract with the employees of the authorized body

Termination of an employment contract with the employees of the authorized body shall be made on the following grounds:

1) provided for by the Labor Code of the Republic of Kazakhstan;

2) reaching the retirement age established by the Law of the Republic of Kazakhstan, with the right to annually extend the period of their stay in the authorized body;

3) negative results of a mandatory special inspection;

4) presentation of knowingly false information about their income and property;

5) non-compliance with anti-corruption obligations and restrictions established by this Law and the Law of the Republic of Kazakhstan "On Combating Corruption";

6) non-transfer to trust management of shares belonging to investment funds, bonds and shares of commercial organizations;

7) submission, upon admission to the authorized body, of knowingly false documents or information that could be grounds for refusal to hire;

8) negative results of certification;

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

Upon termination of an employment contract on the basis of a reduction in the number or staff of employees of the authorized body, an employee of the authorized body holding a reduced position shall be paid severance pay in the amount of four average monthly salaries, provided that the work experience is at least three years.

Footnote. Article 15-12 as amended by the Law of the Republic of Kazakhstan dated 23.12.2023 № 51-VIII (shall be enforced ten calendar days after the day of its first official publication).

Article 15-13. Rights and obligations of the employees of the authorized body

1. The employees of the authorized body shall have the right:

1) to enjoy the rights and freedoms that are guaranteed to the citizens of the Republic of Kazakhstan by the Constitution and the Labor Code of the Republic of Kazakhstan;

2) to participate, within the limits of their powers, in consideration of issues and adoption of decisions on them, demand their execution by the relevant bodies and officials;

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

4) to visit organizations in the manner prescribed by the laws of the Republic of Kazakhstan for performance of official duties;

5) to demand the precise definition of the tasks and scope of official powers in accordance with the position held by the employees of the authorized body from the head;

6) to respect for personal dignity, fair and respectful attitude towards oneself by managers , other individuals and officials;

7) for training and advanced training;

8) to get acquainted freely with the materials that relate to their official powers, and, if necessary, give personal explanations;

9) for promotion, taking into account qualifications, abilities, conscientious performance of their official powers;

10) to demand an official investigation in the presence of groundless, in the opinion of the employee, accusations;

11) to engage in pedagogical, scientific and other creative activities.

2. The employees of the authorized body shall be obliged to:

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

2) take the oath in the manner determined by the act of the authorized body;

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

4) carry out powers within the rights granted to them and in accordance with official duties;

5) execute orders and regulation of managers, decisions and instructions of higher bodies and officials, issued within their powers;

6) keep secret the information received during the performance of official duties affecting the personal life, honor and dignity of individuals, and not require them to provide such information, except for the cases provided for by the legislation of the Republic of Kazakhstan;

7) ensure the safety of state property;

8) inform immediately the management or law enforcement agencies about the cases of corruption offences that have become known to them;

9) improve their professional level and qualifications for the effective performance of official powers;

10) not to disclose to third parties official, commercial, banking secrets, secrets of insurance, pension savings and other secrets protected by law, as well as other information in any form accessible to perception on any type of media received in performance of his/her

official powers, including information received when working with automated information subsystems (if there is an access to them), except for the cases provided for by the laws of the Republic of Kazakhstan;

11) within thirty calendar days of assuming office of an official of the authorised body, entrust the management of their investment fund units, bonds and shares in commercial organisations to a trustee and present a notarised copy of the trust management agreement to the human resources department of the authorised body.

3. The employees of the authorized body shall not be entitled to purchase the shares of investment funds, bonds and shares of commercial organizations.

3-1. Within one year after the termination of work in the authorized body, an official of the authorized body cannot be hired by a commercial organization, if in the last year before the termination of work in the authorized body during the period of performance of its official powers, the specified person, by virtue of his official powers, directly performed control functions in the form of inspections of this commercial organization or the activities of this commercial organization were directly connected with the specified official of the authorized body in accordance with its official powers.

4. The employees of the authorized body, in case of carrying out the checks of activities of the audited subjects by virtue of their official powers, shall be obliged to immediately inform the higher management of all circumstances that may hinder the clear and impartial performance of their official powers, including:

1) close relatives (cousins-in-law), spouses who are executives of the audited subjects;

2) close relatives or spouses working in the audited subjects;

3) loans received in the audited subjects and other property obligations to the audited subjects.

Footnote. Article 15-13 as amended by the Law of the Republic of Kazakhstan dated 12.07.2022 № 138-VII (shall enter into force upon expiry of sixty calendar days after the day of its first official publication); dated 19.06.2024 № 97-VIII (shall come into force on 01.07.2024); № 251-VIII of 03.01.2026 (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

Article 15-14. Responsibility of the employees of the authorized body

1. The employees and technical employees of the authorized body shall be liable in accordance with the Labor Code of the Republic of Kazakhstan for non-fulfillment and improper fulfillment of the assigned duties and labor discipline.

2. Disciplinary sanction:

1) shall be imposed by an official, having the right to appoint and dismiss an employee of the authorized body who is brought to disciplinary responsibility;

2) cannot be imposed repeatedly for the same offence;

3) shall be imposed in the manner determined by the act of the authorized body.

3. The employees of the authorized body who have committed a disciplinary offence may be temporarily suspended from the performance of official duties by an official, having the right to appoint and dismiss them, until the issue of responsibility is resolved in the established manner.

4. Officials and technical employees of the authorized body must be familiarized with all materials related to disciplinary proceedings, they shall be given the right to personally participate in the official investigation procedure.

5. Actions and decisions of the authorized body may be appealed in the court by the employees and technical employees of the authorized body brought to justice.

6. The employees and technical employees of the authorized body, in the event of their committing criminal and other offences, shall bear respectively criminal, administrative, material liability on the grounds and in the manner established by the laws of the Republic of Kazakhstan.

7. The authorized body shall provide legal protection to its employees, members of the Management Board, including former employees and members of the Management Board, and persons engaged by it in case of filing claims against them in connection with actions (inaction), decision-making in order to carry out the functions assigned to the authorized body, including during the performance of their duties by members of temporary administrations and liquidation commissions of banks, insurance (reinsurance) organizations, branches of non-resident banks of the Republic of Kazakhstan, branches of insurance (reinsurance) non-resident organizations of the Republic of Kazakhstan.

Footnote. Article 15-14 as amended by the Law of the RK dated 02.01.2021 № 399-VI (shall enter into force from 16.12.2020).

Article 15-15. Vacations of employees of the authorized body

1. Employees of the authorized body shall be provided with paid annual vacation of thirty calendar days with payment of benefits for health improvement in the amount of two official salaries.

Paid annual vacation for the employees of the authorized body for the first and subsequent years of work shall be provided at any time of the working year by an agreement of the parties.

2. At the request of the employees of the authorized body, annual paid vacation may be provided to them in parts. In this case, one of the parts of the paid annual labor vacation must be at least two calendar weeks of the vacation duration.

3. The employees of the authorized body may be granted unpaid vacation in accordance with the procedure established by the labor legislation of the Republic of Kazakhstan, including in the case of their training within the framework of the state order for postgraduate education programs.

Article 15-16. Guarantees and compensations to the employees of the authorized body during business trips

1. Employees of the authorized body shall be reimbursed for expenses on business trips, including to foreign countries, in the manner determined by the authorized body in agreement with the National Bank of the Republic of Kazakhstan.

2. The place of work (position) and the average salary shall be reserved for the seconded employees of the authorized body during the entire time of the business trip.

Footnote. Article 15-16 as amended by the Law of the Republic of Kazakhstan dated 19.06.2024 № 97-VIII (shall enter into force on 01.07.2024).

Article 15-17. Check of the activity of the authorized body

Check of the activity of the authorized body by state bodies shall be carried out with the consent or by order of the President of the Republic of Kazakhstan.

Chapter 2-3. Electronic sales platform for the sale of banking and microfinance assets

Footnote. The Law is supplemented with Chapter 2-3 in accordance with the Law of the Republic of Kazakhstan dated 19.06.2024 № 97-VIII (shall come into force sixty calendar days after the date of its first official publication).

Article 15-18. Electronic sales platform for the sale of banking and microfinance assets

1. An electronic sales platform for the sale of banking and microfinance assets (hereinafter referred to as the electronic sales platform) is an Internet resource that provides the infrastructure for participants to conduct sales in relation to:

1) the assets of a bank, an organisation engaged in specific types of banking operations, or a subsidiary organisation responsible for managing distressed assets, as listed in paragraph 1 of Article 28 of the Law of the Republic of Kazakhstan “On Banks and Banking Activities in the Republic of Kazakhstan”;

2) the assets of a microfinance organisation, as stated in the first indent of sub-paragraph 11-7) of paragraph 2 of Article 7 of the Law of the Republic of Kazakhstan “On Microfinance Activities”;

3) rights (claims) under a bank loan agreement;

4) rights (claims) under a microcredit agreement.

2. Access to the electronic sales platform and its functioning shall be provided by the operator of the electronic sales platform (hereinafter referred to as the operator).

3. Participants in auctions held on the electronic trading platform may include banks, organisations engaged in specific types of banking operations, subsidiaries specialising in the management of distressed assets, microfinance organisations, as well as other persons, with due regard to the restrictions set out in Article 63 of the Law of the Republic of Kazakhstan “

On Banks and Banking Activities in the Republic of Kazakhstan" and Article 9-1 of the Law of the Republic of Kazakhstan "On Microfinance Activities".

4. The operator conducts trades on the electronic sales platform based on the operator's internal rules developed in accordance with the rules for conducting trades on the electronic sales platform, approved by the regulatory legal act of the authorized body.

The information security of the electronic sales platform is ensured by the operator in the manner determined by the regulatory legal act of the authorized body.

5. Monetary obligations of the parties arising from the purchase and sale agreement, the agreement on the assignment of rights (claims), concluded based on the results of the auction held on the electronic sales platform, shall be fulfilled by the participants in the auction in the manner and within the timeframes specified in the concluded purchase and sale agreement, the agreement on the assignment of rights (claims).

The operator is not a party to the purchase and sale agreement, the agreement on the assignment of rights (claims), concluded based on the results of the auction held on the electronic sales platform.

Footnote. Article 15-18 as amended by Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (shall enter into force upon expiry of sixty calendar days after the date of its first official publication).

Article 15-19. Operator

1. The operator may be a legal entity created in accordance with the legislation of the Republic of Kazakhstan in the organizational and legal form of a joint-stock company or a limited liability partnership.

2. The operator has the right to carry out activities if there is a permit from the authorized body for the right to carry out the operator's activities. The date of commencement of the operation of the electronic sales platform is the date of receipt by the operator of the permit from the authorized body for the right to carry out the operator's activities.

3. In order to ensure the operation of the electronic sales platform, the operator is obliged to ensure:

1) publication of announcements regarding the property put up for auction;

2) conclusion of a non-disclosure agreement between the seller and the potential buyer regarding the rights (claims) under bank loan agreements or microcredit agreements sold on the electronic sales platform;

3) disclosure by bidders of information regarding the property put up for auction, in accordance with the procedure determined by the regulatory legal act of the authorized body;

4) approval and amendment by bidders to the draft sale and purchase agreement regarding the property put up for auction;

5) approval and amendment by bidders to the draft agreement on the assignment of rights (claims) under a bank loan agreement, a microcredit agreement put up for auction;

6) conclusion of a sale and purchase agreement regarding the property sold at auction, in accordance with the procedure determined by the regulatory legal act of the authorized body;

7) conclusion of an agreement on the assignment of rights (claims) under a bank loan agreement, a microcredit agreement sold at auction, in accordance with the procedure determined by the regulatory legal act of the authorized body;

8) publication of the results of the auction;

9) keeping records of the actions of participants in trades carried out on the electronic sales platform;

10) compliance with the requirements of the legislation of the Republic of Kazakhstan on the protection of personal data, banking and other secrets protected by law;

11) compliance with other requirements provided for by this Law and regulatory legal acts of the authorized body.

Verification of the applicant for compliance with the requirements imposed on the operator to ensure the functioning of the electronic sales platform is carried out by a commission created in accordance with the regulatory legal act of the authorized body.

4.The operator shall not have the right to combine the operator's activities with other entrepreneurial activities, with the exception of the following activities:

1) the main and additional activities of the credit bureau (subject to the relevant permit);

2) rendering of services for the provision and maintenance of specialized software in relation to the organization of trades conducted on the electronic sales platform;

3) marketing and statistical research.

5. The conditions and procedure for issuing a permit from the authorized body for the right to carry out the operator's activities shall be determined by the regulatory legal act of the authorized body.

6. To obtain a permit, the applicant shall submit the following documents to the authorized body:

1) an application for a permit containing the information established by the regulatory legal act of the authorized body;

2) notarised copies of the constituent documents where these are not available on the financial reporting depository’s website or where the authorised body is unable to obtain them via the digital government web portal.

An application for a permit to carry out the operator's activities must be reviewed within the timeframes determined by the authorized body, but no more than seventy working days from the date of submission by the applicant of the documents specified in this paragraph.

7. The refusal to issue a permit for the right to carry out the operator's activities shall be made by the authorized body on any of the following grounds:

1) the applicant carries out a type of activity prohibited for the operator in accordance with this Law;

2) the applicant does not comply with the requirements established by this article, Articles 15-18 of this Law and the regulatory legal acts of the authorized body;

3) if there is a court decision that has entered into legal force with respect to the applicant prohibiting the applicant from carrying out the operator's activities;

4) failure to eliminate the comments of the authorized body on the submitted documents within the established time period.

8. The reorganization and liquidation of the operator shall be carried out in the manner prescribed by the laws of the Republic of Kazakhstan.

Footnote. Article 15-19 as amended by Law of the Republic of Kazakhstan № 256-VIII of 09.01.2026 (shall enter into force upon expiry of six months after the date of its first official publication).

Article 15-20. Peculiarities of state regulation, control and supervision of the activities of operators

For the purposes of state regulation, control and supervision of the activities of operators, the authorized body:

1) adopts regulatory legal acts binding on operators in the field of regulation of the operator's activities and the functioning of the electronic sales platform;

2) issues or refuses to issue a permit for the right to carry out the operator's activities;

3) sends written orders to eliminate the identified violations of the requirements of this Law and regulatory legal acts of the authorized body regulating relations related to the implementation of the operator's activities and the functioning of the electronic sales platform , including in the event of failure to provide, within the established timeframes, information necessary for the authorized body to carry out its control and supervisory functions;

4) applies sanctions to operators in the manner and on the grounds established by this Law ;

5) considers appeals from individual and legal entities on the issues related to the operator's activities and the functioning of the electronic sales platform;

6) carries out other functions stipulated by the legislation of the Republic of Kazakhstan.

Article 15-21. Written order and sanctions

1. In case of violation of this Law and regulatory legal acts of the authorized body, governing relations related to the implementation of the operator's activities and the functioning of the electronic sales platform, the authorized body has the right to send a written order to the operator.

A written order is an instruction to the operator to take mandatory corrective measures aimed at eliminating the identified violations and (or) causes, as well as the conditions that contributed to their commission, within the specified time frame, and (or) on the need to submit within the specified time frame an action plan to eliminate the revealed violations and (or) causes, as well as the conditions that contributed to their commission (hereinafter referred to as the action plan).

The action plan submitted within the time frame established by the written order shall indicate descriptions of the violations, the reasons that led to their occurrence, a list of planned measures, the time frame for their implementation, as well as the responsible officials .

2. An appeal against a written order of the authorized body shall be carried out in the manner determined by the laws of the Republic of Kazakhstan.

An appeal against a written order of an authorized body does not suspend its execution.

3. The operator shall notify the authorized body of the implementation of the measures specified in the written order within the timeframes specified in the written order.

If it is impossible to eliminate the violation within the timeframes established in the action plan or written order, for reasons beyond the control of the operator, the timeframe for implementing the action plan or written order may be extended by the authorized body in the manner determined by the regulatory legal act of the authorized body.

4. As a sanction, the authorized body has the right to apply to the operator a sanction in the form of suspension of the operator's permit for the right to carry out activities or revocation of the operator's permit for the right to carry out activities on the grounds established by this article.

5. The authorized body shall suspend the operator's permit for the right to carry out activities for a period of up to six months on one of the following grounds:

1) failure to comply with the requirements established by this Law and (or) the regulatory legal act of the authorized body;

2) establishment of inconsistency with the validity of the documents that served as the basis for issuing the permit;

3) systematic (three or more times within twelve consecutive calendar months) failure to comply with written orders of the authorized body to eliminate the violation of the requirements of this Law and (or) regulatory legal acts of the authorized body governing relations related to the implementation of the operator's activities and the functioning of the electronic sales platform.

6. Suspension of the operator's permit entails a ban on operating as an operator.

7. The decision to suspend the operator's permit must specify the grounds and period for suspending the permit. The said permit is considered suspended from the date the relevant decision of the authorized body is communicated to the operator's executive body.

The operator whose permit for the operator's right to operate has been suspended is obliged to fulfill the obligations assumed under previously concluded agreements on the electronic sales platform.

8. The authorized body shall revoke the operator’s permit for carrying out activities on one of the following grounds:

1) failure to eliminate the reason for which the authorized body suspended the operator’s permit for carrying out activities;

2) repeated (two or more times) suspension of the operator’s permit for carrying out activities over the past twelve months;

3) the operator knowingly providing false information when obtaining the operator’s permit for carrying out activities;

4) the existence of a court decision that has entered into legal force prohibiting the operator from carrying out activities;

5) a decision on the voluntary or compulsory liquidation of the operator.

9. The operator’s permit for carrying out activities shall be terminated on the grounds stipulated by the Law of the Republic of Kazakhstan “On Permits and Notifications”.

10. An operator who has been deprived of the permit for carrying out activities shall not have the right to carry out activities of the operator.

Chapter 2–4. Behavioural supervision

Footnote. The law has been supplemented with chapters 2-4 as per Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 15-22. Responsible business practices in the financial market

1. When interacting with consumers of financial services, entities subject to conduct of business supervision must adhere to responsible business practices in the financial market, requiring:

1) management of financial products;

2) disclosure of information regarding financial products;

3) prevention of unfair practices in the financial market at all stages of interaction with consumers of financial services;

4) assuming responsibility for the activities of authorised agents;

5) handling complaints from financial services consumers;

6) improving the financial literacy of financial services consumers, including developing and implementing appropriate measures.

The requirements established in sub-paragraphs 2) and 3) of part one of this paragraph shall apply to authorised agents.

2. Requirements for responsible business practices in the financial market shall be laid down in regulatory acts issued by the authorised body.

Article 15-23. Management of financial products

1. The entity subject to behavioural supervision shall implement a continuous process for managing financial products at the stages of development, promotion (advertising), provision, monitoring and discontinuation of the financial product.

When developing a financial product, the entity subject to behavioural supervision shall:

1) specify the features and terms of the financial product;

2) identify the category of potential financial services consumers whose objectives (needs) the financial product is intended to meet;

3) evaluate the risks to financial services consumers associated with their purchase (acquisition) and use of a financial product;

4) perform other activities aimed at reducing the risks of a financial product to financial services consumers.

When promoting (advertising) a financial product, the entity subject to behavioural supervision shall observe the requirements established by Article 67 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan", Article 52-2 of the Law of the Republic of Kazakhstan "On Insurance Activities", Article 53-1 of the Law of the Republic of Kazakhstan "On the Securities Market", Article 24 of the Law of the Republic of Kazakhstan "On Microfinance Activities", as well as the requirements of the legislation of the Republic of Kazakhstan on advertising.

When offering a financial product, the entity subject to behavioural supervision shall present financial products to the consumer of financial services based on criteria reflecting the suitability of the financial product.

When monitoring a financial product, the entity subject to behavioural supervision must identify the risks that the financial product poses to consumers of financial services, including through analysis of information on how consumers of financial services use the product and of complaints from consumers of financial services regarding the product.

The entity subject to behavioural supervision in the context of financial product management must identify the potential grounds for ceasing to provide a financial product, as well as the measures to be taken to inform financial services consumers and to fulfil obligations towards them upon the cessation of the provision of the financial product.

The entity subject to behavioural supervision shall notify the authorised body of the approval, amendment or discontinuation of a financial product within ten working days of the date the relevant decision is taken by the entity subject to behavioural supervision.

Requirements for the management of financial products, a list of financial products (specifying rates and fees), the approval, amendment and termination thereof being notified by the entity subject to behavioural supervision to the authorised body, the procedure for such notification, as well as the list of documents and information to be enclosed with the notification, shall be established by a regulatory legal act of the authorised body.

2. Where the authorised body identifies a financial product that poses risks to consumers of financial services and/or does not satisfy the criteria for the management of financial products established by a regulatory act of the authorised body, the authorised body shall require the entity subject to behavioural supervision to suspend the provision of such financial products to consumers of financial services until the identified risks have been eliminated and the financial product has been brought into compliance with the specified criteria.

Article 15–24. Disclosure of information on financial products

Entities subject to behavioural supervision shall be required to disclose complete and accurate data on their financial products by informing consumers of financial services of the terms and conditions for offering financial products pursuant to the regulatory legal acts of the authorised body set forth in paragraph 2 of Article 15-22 hereof.

Article 15–25. Prevention of unfair practices in the financial market

1. When offering financial products, entities subject to behavioural supervision must prevent unfair practices towards consumers of financial services.

2. The types and features of unfair practices, and the procedure for identifying such practices by entities subject to behavioural supervision shall be governed by the requirements for the conduct of banking activities, the requirements for the conduct of insurance activities by a branch of an insurance organisation the requirements for the conduct of insurance activities by a branch of a non-resident insurance organisation of the Republic of Kazakhstan, the rules for the conduct of brokerage and/or dealing activities on the securities market, the procedure for the conduct of banking operations by a broker and/or dealer, and the requirements for the conduct of microfinance activities, as approved by the authorised body.

3. The entities subject to behavioural supervision shall develop remuneration policies for their staff aimed at preventing unfair practices towards consumers of financial services.

Article 15–26. Liability of entities subject to behavioural supervision for the activities of authorised agents when offering financial products

When offering financial products through authorised agents, entities subject to behavioural supervision must:

1) maintain a register of authorised agents as set out in the internal document of the entity subject to behavioural supervision;

2) ensure that authorised agents possess the professional competence required to offer financial products;

3) monitor authorised agents' adherence to the requirements of the laws of the Republic of Kazakhstan and the internal documents of the entity subject to behavioural supervision governing the provision of financial products.

Article 15–27. Handling of complaints from financial services consumers

Entities subject to behavioural supervision must examine and decide on complaints from consumers of financial services pertaining to their financial products and/or the activities of authorised agents, as prescribed by the legislation of the Republic of Kazakhstan and the regulatory acts of the authorised body.

Chapter 2-5. Procedure for the pre-litigation settlement of disputes involving consumers of financial services. The Financial Ombudsman, their status, the procedure for their appointment and early termination of their term of office, and the Financial Ombudsman Service

Footnote. The law has been supplemented with chapters 2-5 as per Law of the Republic of Kazakhstan № 259-VIII of 16.01.2026 (see Article 2 for the procedure for entry into force).

Article 15-28. Pre-litigation dispute resolution

1. For the purposes of this chapter, "consumer of financial services" shall mean:

1) in respect of insurance services:

natural persons and entities engaged in small-scale business for all types of insurance;

legal entities – only for the class (type) of compulsory civil liability insurance for vehicle owners, where the amount of claims does not exceed ten thousand times the monthly calculation index;

2) for other financial services – natural persons, including those registered as sole traders.

The provisions of this chapter applicable to consumers of financial services shall apply to an insurance undertaking where that insurance undertaking makes a claim against another insurance undertaking in the circumstances referred to in part two of paragraph 2 hereof.

2. The pre-litigation procedure for resolving disputes between a consumer of financial services and a conduct regulator shall be adhered to (applied) when a consumer of financial services refers a matter to the Financial Ombudsman in the following cases:

1) where a consumer of financial services has financial claims against an entity subject to behavioural supervision arising from a contract entered into to deliver a financial product;

2) where the bank or the party to whom the rights (claims) under the bank loan agreement have been assigned refuses to amend the terms of the bank loan agreement, or where no mutually acceptable solution is reached regarding an appeal (complaint) lodged by a consumer of financial services — a natural person in line with Article 61 of the Law of the Republic of Kazakhstan "On Banks and Banking Activities in the Republic of Kazakhstan";

3) where a microfinance organisation or a person to whom the rights (claims) under a microloan agreement have been assigned refuses to amend the terms of the microloan agreement, or where no mutually acceptable solution is reached regarding an appeal (complaint) lodged by a consumer of financial services—a natural person pursuant to Article 9 -2 of the Law of the Republic of Kazakhstan "On Microfinance Activities";

4) where there are disputes between policyholders (insured persons, beneficiaries) and insurance companies arising from insurance contracts;

5) in the event of disputes between insurance organisations arising in relation to compulsory and voluntary insurance;

6) where an insurance company refuses to enter into a compulsory insurance contract with a natural or legal person, or amends the terms of a voluntary insurance contract (in cases where the contracts contain terms that infringe upon the rights of policyholders, insured persons or beneficiaries).

3. The pre-litigation procedure for resolving disputes between a consumer of financial services and a conduct regulator shall involve:

1) the consumer of financial services contacting the conduct regulator regarding a dispute or other issue associated with a financial product;

2) a financial services consumer's application to the Financial Ombudsman for the resolution of a dispute in situations where no response has been received from the entity subject to behavioural supervision in response to the application mentioned in sub-paragraph 1) of this paragraph, within the time limits established by the laws of the Republic of Kazakhstan, or due to the conductal supervision authority's failure to address such a request in full or in part.

Article 15-29. Financial Ombudsman

1. The Financial Ombudsman shall be a natural person acting independently who is responsible for the pre-litigation resolution of disputes arising from contracts for the provision of financial products concluded between consumers of financial services and entities subject to behavioural supervision, as well as disputes between insurance organisations arising from insurance contracts, by reviewing complaints from consumers of financial services, insurance organisations on issues covered by paragraph 2 of Article 15-28 hereof.

2. The Financial Ombudsman shall be guided in their activities by the following principles of:

1) legality;

2) equality of the parties in the resolution of a dispute;

3) independence and impartiality of the Financial Ombudsman in the resolution of a dispute;

4) non-disclosure of information obtained during the consideration of the dispute which constitutes a professional, commercial, banking or other secret protected by law;

5) respect for the rights and legitimate interests of the parties to the dispute under consideration;

6) transparency of the dispute resolution procedure, as well as the soundness of the decision rendered in the dispute;

7) compliance with the legislation of the Republic of Kazakhstan on languages when examining the dispute;

8) the binding nature of the Financial Ombudsman's decision on the parties to the dispute in question, with due regard to the requirements set out in Article 15-33 hereof.

3. The procedures governing the activities of financial ombudsmen and the financial ombudsman service, including the reporting of received and considered complaints from financial services consumers to the authorised body, shall be established hereby and by a regulatory act of the authorised body.

4. The following persons shall act as financial ombudsmen:

1) the Chief Financial Ombudsman;

2) financial ombudsmen in the relevant sectors of financial services.

5. To be appointed as a financial ombudsman and whilst performing the duties of a financial ombudsman, a person must satisfy the following requirements:

1) have a degree in economics and/or law;

2) have an impeccable professional reputation;

3) have at least five years' experience in delivering and/or regulating financial services;

4) there is evidence that, within five years prior to the nomination of the candidate for the post of Financial Ombudsman, the person was not a senior executive of a financial organisation, including a financial organisation that is a non-resident of the Republic of Kazakhstan, a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan , or a branch of an insurance broker that is not a resident of the Republic of Kazakhstan, during a period of no more than one year prior to:

the imposition of a resolution regime on a bank;

the revocation of the licence of a financial organisation, including a financial organisation that is a non-resident of the Republic of Kazakhstan, a branch of a bank that is a non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) organisation that is a non-resident of the Republic of Kazakhstan, a branch of an insurance broker that is not a resident of the Republic of Kazakhstan, resulting in their liquidation and/or the cessation of their activities in the financial market;

the entry into force of a court order for the compulsory liquidation of a financial institution, including a financial institution that is not resident in the Republic of Kazakhstan, or for its declaration as bankrupt pursuant to the procedure established by the legislation of the Republic of Kazakhstan or by the legislation of the state in which the financial institution that is not resident in the Republic of Kazakhstan is resident;

the entry into force of a court order for the compulsory closure of a branch of a bank that is not a resident of the Republic of Kazakhstan, or a branch of an insurance (reinsurance) organisation that is not a resident of the Republic of Kazakhstan, in the cases established by the laws of the Republic of Kazakhstan;

5) there is no information to suggest that a final court judgment has been issued declaring the person legally incompetent or of limited legal capacity;

6) evidence that the person is not registered for ongoing monitoring of mental and behavioural disorders (illnesses), including those caused by the use of psychoactive substances, with mental health services;

7) proficiency in the official language.

The Financial Ombudsman shall not hold any position within entities subject to behavioural supervision, debt collection agencies, the authorised body, the National Bank of the Republic of Kazakhstan, or organisations (public associations, unions, associations) whose members include entities subject to conduct supervision and/or debt collection agencies; nor may he or she be an affiliated person of an entity subject to behavioural supervision and/or a debt collection agency.

6. The Chief Financial Ombudsman and the financial ombudsmen for the relevant sectors of financial services shall be appointed by the Financial Ombudsman Service Board from

among candidates proposed by the Financial Ombudsman Service Board and previously approved by the authorised body as satisfying the requirements set out in paragraph 5 of this Article.

Financial ombudsmen shall be elected for a term of three years. The same person may be elected as Financial Ombudsman for no more than two consecutive terms.

The procedure for the appointment and early termination of the Financial Ombudsman's term of office shall be governed by this Law and by a regulatory legal act issued by the authorised body.

7. The following issues shall fall within the exclusive competence of the Chief Financial Ombudsman:

1) exercising the powers of the Head of the Financial Ombudsman Service;

2) ensuring that the decisions of the Financial Ombudsman Service Board are implemented;

3) representing the Financial Ombudsman Service in dealings with third parties;

4) issuing a power of attorney authorising the Financial Ombudsman Service to act on its behalf in dealings with third parties;

5) issuing orders appointing staff of the Financial Ombudsman Service to posts, and regarding their transfer and dismissal;

6) establishing the remuneration system for staff of the Financial Ombudsman Service who are not Financial Ombudsmen;

7) presenting the Financial Ombudsman Service's budget to the Financial Ombudsman Service Council for approval;

8) the exercise of other powers specified in the Financial Ombudsman Service's constitution.

The Chief Financial Ombudsman shall have the power to examine and decide on complaints from consumers of financial services in the relevant sector of financial services.

8. The Financial Ombudsman's remit in the field of insurance services shall include:

1) making decisions on the application of specific provisions of the methodology used to estimate the extent of damage caused to a vehicle, with due regard to the specific features of compulsory civil liability insurance for vehicle owners;

2) assessing the extent of damage caused to property;

3) issuing binding instructions to entities subject to behavioural supervision to remove (or amend) terms in insurance contracts that infringe upon or restrict the rights of insurance consumers.

9. A decision to terminate the powers of financial ombudsmen prematurely shall be taken by the Financial Ombudsman Service Council on the following grounds:

1) a finding that the requirements set out in paragraph 5 of this Article have not been met;

2) repeated (three or more times within a period of twelve consecutive calendar months) breaches of the legislation of the Republic of Kazakhstan in areas falling within their competence;

3) inability, due to ill health or other reasons, to perform their duties for a prolonged period (at least four consecutive months).

The early termination of a Financial Ombudsman's term of office at their own initiative shall be effected on the grounds of a written notice filed with the Financial Ombudsman Service's board at least one month prior to the termination of the term of office, as prescribed by the Financial Ombudsman Service's internal rules.

Article 15-30. The service of the Financial Ombudsman

1. The service of the Financial Ombudsman shall be a non-profit organisation established as a private institution, responsible for the activities of financial ombudsmen.

The Financial Ombudsman Service shall be established by a non-profit organisation in the form of an association comprising entities subject to behavioural supervision which, collectively, hold at least seventy per cent of the financial assets in the financial market.

Only one Financial Ombudsman Service may be established and operate within the territory of the Republic of Kazakhstan.

2. The founder of the Financial Ombudsman Service shall approve the Financial Ombudsman Service's charter and make amendments and/or additions thereto.

3. The objectives of the Financial Ombudsman Service shall include:

1) receiving and processing complaints from consumers of financial services, and providing such consumers with the decisions reached by the Financial Ombudsman in response to their complaints;

2) improving the financial literacy of consumers of financial services, including through the development and implementation of relevant measures;

3) ensuring the implementation of specialised software within the Financial Ombudsman Service to automate the recording and processing of complaints from financial services consumers, as well as the operation and further development of the collective debt settlement platform;

4) ensuring the establishment of a call centre or helpline within the Financial Ombudsman Service to offer advisory services to consumers of financial services;

5) notification by the authorised body of any violations of the legislation of the Republic of Kazakhstan by entities subject to behavioural supervision, identified during the examination of complaints from financial services consumers, no later than three working days after the date of such identification;

6) giving recommendations to the authorised body on improving its regulatory acts concerning the protection of the rights of consumers of financial services;

7) monitoring of the payment by entities subject to behavioural supervision of mandatory contributions and/or other payments to fund the Financial Ombudsman Service.

4. The following information shall be available on the Financial Ombudsman Service's website:

1) the full name, address (location), telephone numbers and opening hours of the Financial Ombudsman Service, including its departments and offices;

2) the composition of the Financial Ombudsman Service's board;

3) disputes to be examined by the Financial Ombudsman;

4) the procedure for receiving and examining complaints;

5) annual report on the activities of financial ombudsmen;

6) internal rules governing the activities of financial ombudsmen and the financial ombudsman service;

7) other data pursuant to the procedure for the operation of financial ombudsmen and the financial ombudsman service, as approved by a regulatory legal act of the authorised body.

5. The Financial Ombudsman Service shall maintain a platform for the collective settlement of debts owed by individual borrowers under consumer bank loan agreements and agreements for granting consumer microloans not secured by collateral (hereinafter referred to as the platform).

The platform shall serve as a forum for interaction between individual borrowers, banks, microfinance organisations, debt collection agencies and the financial ombudsman, with the aim of reaching agreed solutions for the settlement of overdue debts (hereinafter referred to as participants).

The platform shall enable:

1) the collection, processing and analysis of information on borrowers who have applied for debt settlement;

2) the formulation of proposals and recommendations regarding debt settlement;

3) the automation of data exchange between parties involved in the settlement process;

4) granting the authorised body access to analytical data for the purpose of monitoring and evaluating the efficiency of measures to reduce the debt burden of individual borrowers.

The operating procedures of the platform, including the conditions for participants' registration, access levels, the exchange and protection of personal data, shall be established by a regulatory act issued by the authorised body.

Article 15-31. The Council of the Financial Ombudsman Service

1. The Council of the Financial Ombudsman Service shall act as the permanent collegial governing body of the Financial Ombudsman Service.

The Council of the Financial Ombudsman Service shall consist of the following members:

1) one representative of the founder of the Financial Ombudsman Service;

2) one representative from banks and branches of banks that are non-residents of the Republic of Kazakhstan;

3) one representative from insurance (reinsurance) organisations and branches of insurance (reinsurance) organisations that are non-residents of the Republic of Kazakhstan;

4) one representative from microfinance organisations;

5) one representative from organisations engaged in brokerage activities on the securities market;

6) one representative from debt collection agencies that have been assigned rights (claims) under a bank loan agreement or a microloan agreement;

7) one representative from the authorised body.

Members of the Financial Ombudsman Service Council must have an impeccable professional reputation and a degree in economics and/or law.

2. The Financial Ombudsman Service Board shall have responsibility for the following matters:

1) monitoring the Financial Ombudsman Service's activities to ensure they are in line with its statutory objectives;

2) approving the structure and staffing of the Financial Ombudsman Service and the number of financial ombudsmen;

3) the nomination of candidates for election to the posts of Chief Financial Ombudsman and Financial Ombudsmen in the relevant sectors of financial services;

4) the election and early termination of the terms of office of the Chief Financial Ombudsman and Financial Ombudsmen in the relevant sectors;

5) establishing a system for remuneration and bonuses for financial ombudsmen;

6) approving the annual budget, the procedures and timelines for funding the Financial Ombudsman Service, and the annual report on the Financial Ombudsman Service's activities;

7) approval of internal rules governing the activities of financial ombudsmen and the financial ombudsman service;

8) approval of the methodology for calculating the amount of damage caused to consumers of financial services under insurance contracts;

9) the exercise of other powers.

3. A session of the Council of the Financial Ombudsman Service shall be deemed valid and the quorum requirements met if at least five members of the Council of the Financial Ombudsman Service are present at the session. The Council of the Financial Ombudsman Service shall adopt decisions by a simple majority of the representatives.

A decision on the issues set forth in sub-paragraphs 6) and 7) of paragraph 2 of this article shall be deemed to have been adopted only if a positive decision has been issued by the representative of the Financial Ombudsman Service Council from the authorised body.

The decision to elect the Chief Financial Ombudsman shall be adopted by a majority vote of the members of the Council of the Financial Ombudsman Service.

The Chief Financial Ombudsman shall participate in meetings of the Council of the Financial Ombudsman Service without the right to vote.

4. Members of the Council of the Financial Ombudsman Service shall perform their duties on a voluntary basis.

The procedure for the election and early termination of the term of office of members of the Council of the Financial Ombudsman Service shall be governed by the Financial Ombudsman Service's Statutes.

Article 15-32. Funding of the Financial Ombudsman Service

1. The Financial Ombudsman Service shall be funded by mandatory contributions and other payments received from entities subject to behavioural supervision, as prescribed by the Council of the Financial Ombudsman Service pursuant to its internal rules.

2. The suspension or revocation of a licence to engage in certain types of transactions shall not exempt the entity subject to behavioural supervision from its obligation to make mandatory contributions and other payments to fund the Financial Ombudsman Service.

The revocation (withdrawal) of a licence to engage in (perform) all operations shall release the entity subject to behavioural supervision from the obligation to make mandatory contributions and other payments to fund the Financial Ombudsman Service from the date of revocation (withdrawal) of the said licence.

Upon termination (revocation) of a licence to engage in microfinance activities, a microfinance organisation shall be exempt from the obligation to make mandatory payments and other contributions to fund the financial ombudsman service from the date of termination of contractual relationships with natural persons under microloan agreements.

Upon removal from the register of debt collection agencies, the debt collection agency shall be exempt from the obligation to make mandatory payments and other contributions to fund the Financial Ombudsman Service from the date of termination of contractual relations with natural persons under bank loan agreements and microloan agreements, whereby the creditors have assigned their rights (claims) to the debt collection agency).

3. Within five working days of a failure by the entity subject to behavioural supervision to fulfil its obligations to pay mandatory contributions and/or other payments to fund the Financial Ombudsman Service, the Financial Ombudsman Service shall notify the authorised body thereof.

4. As per the laws of the Republic of Kazakhstan, the entity subject to behavioural supervision shall be liable for failure to fulfil its obligation to pay mandatory contributions and/or other payments to finance the Financial Ombudsman Service.

Article 15-33. Procedure for the examination of complaints by the Financial Ombudsman

1. The Financial Ombudsman shall review complaints from consumers of financial services free of charge.

2. The Financial Ombudsman and the staff of the Financial Ombudsman's Office shall be liable for the disclosure of information obtained in the course of their duties which constitutes an official, commercial, banking or other secret protected by law pursuant to the laws of the Republic of Kazakhstan.

3. The Financial Ombudsman Service shall enable smooth referral of complaints from financial services consumers to the Financial Ombudsman, including via the Service's website or mobile application.

4. The Financial Ombudsman Service shall register a complaint from a consumer of financial services within three working days of its receipt by the Financial Ombudsman and shall forward a copy of the complaint to the conduct regulator concerned.

5. The Financial Ombudsman shall not review appeals:

1) which do not fall within the Financial Ombudsman's remit;

2) which have been accepted for examination by a court and/or in respect whereof a court order has become final and binding, or an enforcement order has been issued;

3) where the consumer of financial services has not presented written evidence of having lodged a complaint with the conductal supervision authority as required by the laws of the Republic of Kazakhstan;

4) those lodged again, in the absence of any new circumstances in the case.

6. When examining complaints, the Financial Ombudsman shall have the right to:

1) request from the financial services consumer and/or the entity subject to behavioural supervision the originals or duly certified copies of documents relevant to the matter of the complaint;

2) receive written and/or oral explanations regarding the matter raised by a financial services consumer and/or the entity subject to behavioural supervision.

The entity subject to behavioural supervision shall furnish copies of the requested documents, certified by the signature of an authorised person, and explanations no later than five working days from the date of receipt of the request, unless a longer period is specified in the financial ombudsman's request, excluding disputes arising from compulsory insurance contracts, for which the deadlines for presenting the requested documents are established by separate legislative acts of the Republic of Kazakhstan regulating compulsory types of insurance.

Should the entity subject to behavioural supervision fail to furnish the required documents and/or explanations within the specified time limit:

the Financial Ombudsman Service shall notify the authorised body thereof;

the entity subject to behavioural supervision shall be liable pursuant to the laws of the Republic of Kazakhstan.

7. The Financial Ombudsman shall decide on a complaint received from a consumer of financial services within fifteen working days of the date on which the complaint has been received.

Where it is required to establish the facts relevant to the proper examination of a complaint, the Financial Ombudsman may extend the time limit for examining the complaint by a further fifteen working days; the financial services consumer shall be notified of this within three working days of the date on which the time limit is extended.

8. In response to requests from individual borrowers regarding changes to the terms of performance of obligations under bank loan agreements and microloan agreements not related to business activities, the Financial Ombudsman shall assist the parties in reaching a mutually acceptable solution and in adopting a decision agreed by the parties regarding changes to the terms of performance of obligations under bank loan agreements and microloan agreements.

Following the examination of the complaint, the Financial Ombudsman shall draw up a report, which shall be signed by the Financial Ombudsman and the parties to the bank loan agreement or microloan agreement, and shall contain details of the amended terms and conditions for the performance of obligations under the bank loan agreement or microloan agreement.

9. Following examination of the complaint, unless otherwise stated in paragraph 8 of this article, the Financial Ombudsman shall decide on one of the following:

1) to uphold the complaint in full or in part;

2) to reject the complaint;

3) to discontinue consideration of the complaint.

The Financial Ombudsman's decision must be well-founded and consistent with the laws of the Republic of Kazakhstan, the regulatory legal acts of the authorised body, and the principles governing the Financial Ombudsman's activities.

When deciding whether to grant an application in full or in part, the decision shall specify the procedure and time limits for the implementation of that decision by the entity subject to behavioural supervision.

10. The Financial Ombudsman's decision shall be delivered to the financial services consumer and the entity subject to behavioural supervision within two working days of the date on which it is made.

The Financial Ombudsman's decision shall be binding on:

the entity subject to behavioural supervision – where the financial services consumer has given their written consent to the financial ombudsman's decision;

insurance organisations – in cases where, following the resolution of a dispute between insurance organisations concerning compulsory and voluntary insurance.

11. Should the entity subject to behavioural supervision fail to fulfil the Financial Ombudsman's decision within the specified timeframe:

the Financial Ombudsman's office shall, within three working days, notify the authorised body thereof, enclosing documents confirming such failure;

The entity subject to behavioural supervision shall bear the liability established by the laws of the Republic of Kazakhstan.

The parties to a dispute (complaint) examined by the Financial Ombudsman, for whom the Financial Ombudsman's decision is binding, may, if they disagree with that decision, bring the matter before a court within one month of receiving the Financial Ombudsman's decision, pursuant to the laws of the Republic of Kazakhstan, in order to challenge that decision.

Parties to a dispute (complaint) for whom the Financial Ombudsman's decisions are not binding may, if they disagree with the Financial Ombudsman's decision, bring the matter before a court to resolve the dispute with the conductal supervision authority as required by the legislation of the Republic of Kazakhstan.

Filing a claim in court shall suspend the enforcement of the Financial Ombudsman's decision.

12. The Financial Ombudsman shall discontinue reviewing the complaint in the following cases:

1) if, during the review of the complaint, circumstances come to light showing that the complaint is not within the Financial Ombudsman's remit;

2) if the entity subject to behavioural supervision resolves the financial services consumer 's complaint before the Financial Ombudsman has completed its examination of the complaint;

3) if the financial services consumer and/or their legal representative fails to furnish the documents and/or explanations within the time limit set by the Financial Ombudsman;

4) reconciliation of the parties based on mutual concessions at any stage of the proceedings;

5) matters not falling within the scope of pre-litigation dispute resolution, where no decision can be made on whether to grant, partially grant or refuse the financial services consumer's complaint;

6) where no breaches of the legislation of the Republic of Kazakhstan and/or the terms of the contract have been established in the actions of the entity subject to behavioural supervision;

7) the death of a financial services consumer who is a natural person, or their being declared missing, or their being declared deceased;

8) the liquidation of the entity subject to behavioural supervision.

A decision to discontinue the examination of a complaint shall be sent to the financial services consumer and the subject of conduct supervision within two working days of the date on which it is taken.

Where the examination of a complaint is discontinued on the grounds referred to in sub-paragraph 3) of this paragraph, the financial services consumer and/or their legal representative shall be entitled to re-apply to the Financial Ombudsman, presenting all required documents and/or clarifications.

Where the examination of a complaint is discontinued on the grounds set out in sub-paragraphs 5) and 6) of this paragraph, the Financial Ombudsman may send a recommendation to the entity subject to behavioural supervision regarding the resolution of the applicant's complaint.

Article 15-34. Specific features of the settlement of disputes arising from compulsory insurance contracts

The specific features of the settlement of disputes arising from compulsory insurance contracts shall be established by separate legislative acts of the Republic of Kazakhstan governing compulsory types of insurance.

Chapter 3. Final provisions Article 16. Responsibility of violation of the legislation of the Republic of Kazakhstan on the state regulation, control and supervision of financial market and financial organizations

Violation of the legislation of the Republic of Kazakhstan on the state regulation, control and supervision of financial market and financial organizations shall entail responsibility, established by the Laws of the Republic of Kazakhstan.

Footnote. Article 16 is in the wording of the Law of the Republic of Kazakhstan dated 05.07.2012 № 30-V (shall be enforced upon expiry of ten calendar days after its first official publication).

Article 16-1. Reorganization and abolition of the authorized body

Reorganization and abolition of the authorized body shall be carried out in accordance with the legislation of the Republic of Kazakhstan.

Footnote. Chapter 3 is supplemented with Article 16-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262 (shall be enforced from 01.01.2020).

Article 17. The order of enforcement of this Law

This Law shall be enforced from 1 January, 2004.

The President
of the Republic of Kazakhstan