

## On Accounting and Financial Reporting

### *Unofficial translation*

The Law of the Republic of Kazakhstan dated 28 February, 2007 № 234.

### **Unofficial translation**

This Law regulates the system of accounting and financial reporting in the Republic of Kazakhstan, establishes the principles, basic qualitative characteristics and rules of maintenance of accounting and preparation of financial reporting.

## **Chapter 1. GENERAL PROVISIONS**

### **Article 1. Basic concepts used in this Law**

The following basic concepts shall be used for the purposes of this Law:

1) accreditation - recognition by an authorised body of the competence of professional accountancy bodies and professional accountancy certification organisations under this Law, confirmed by a certificate in the form approved by the authorised body in coordination with the authorised body for authorisations and notifications and the authorised body for information;

2) primary accounting documents (hereinafter – primary documents) - documentary witness both on paper, and on electronic media of the fact of commission of transaction or events and rights on its commission, on the basis of which the accounting is maintained;

3) accredited organization for professional certification of accountants (hereinafter referred to as certification organization) is a legal entity carrying out certification of candidates for professional accountants, accredited in conformity with accreditation rules for professional organizations, certification organizations (hereinafter referred to as accreditation rules);

4) an accredited professional accounting organization (hereinafter referred to as a professional organization) is a non-profit organization that is an association of accountants and (or) accounting organizations, accredited in line with the accreditation rules;

5) accounting registers – form for generalization, systematization and accumulation of information, contained in the primary documents, accepted for accounting, for its recognition in the system of accounting and financial reporting;

6) accounting organization – organization, providing the services in the scope of accounting, being a member of professional organization;

6-1) subsidiary organization - an organization that, in accordance with international standards, is recognized as being under the control of the main organization and submits

financial statements of the main organization for the preparation of consolidated financial statements in accordance with international standards;

7) public interest organizations - financial organizations (except for legal entities operating exclusively through exchange offices on the basis of a license from the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, credit unions and pawnshops created in the form of a business partnership, as well as microfinance organizations created in the form of a business partnership that do not provide unsecured microloans specified in paragraph 3-1 of Article 4 of the Law of the Republic of Kazakhstan "On Microfinance Activities"), endowment funds, joint-stock companies (except for non-profit companies), subsoil user organizations (except for organizations extracting common minerals), grain receiving enterprises, state enterprises founded on the right of economic management, entities of state monopoly, special law, as well as organizations in whose authorized capitals the state has a stake, and subsidiaries, dependent and other legal entities that are affiliated with them in accordance with the laws of the Republic of Kazakhstan;

8) professional accountant – a legal entity, having certificate of professional accountant, being a member of professional organization;

8-1) The Code of Ethics for Professional Accountants (hereinafter referred to as the Code of Ethics) is a summary of ethical rules of conduct for professional accountants, accounting and professional organisations in their professional activities issued by the International Federation of Accountants;

9) certificate of professional accountant (hereinafter – a certificate) – a document, issued by organization on certification, certifying professional qualification of accountant;

10) Depository of financial statements (hereinafter referred to as the depository) is an electronic database containing annual financial statements and audit reports submitted annually by organizations, lists of affiliated persons of joint-stock companies, as well as information on corporate events of joint-stock companies with open access for the users;

11) standards of financial reporting – a document, establishing principles and methods of maintenance of accounting and preparation of financial reporting;

12) national standards of financial reporting (hereinafter – national standards) – standards of financial reporting, approved by the authorized body;

13) International Financial Reporting Standards (hereinafter - International Standards) and International Financial Reporting Standard for Small and Medium-sized Organisations (hereinafter - International Standard for SMEs are financial reporting standards issued by the International Accounting Standards Foundation;

13-1) The main organization is an organization that, in accordance with international standards, is recognized as controlling one or more subsidiaries and submits consolidated financial statements according to international standards;

14) an authorized body – central state body, carrying out regulation of activity in the scope of accounting and financial reporting.

**Footnote.** Article 1 as amended by the Law 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 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after its first official publication); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 09.04.2016 № 502-V (shall be enforced upon expiry of three months from the day of its first official publication); dated 03.07.2019 № 262-VI (shall be enforced from 01.01.2020); № 325 -VI of 13.05.2020 (shall come into force six months after its first official publication); № 399 -VI of 02.01.2021 (shall be enacted on 01.01.2021); № 75-VII of 24.11.2021 (shall take effect ten calendar days after its first official publication); dated 03.01.2022 № 101-VII (shall be enforced from 01.07.2022); dated 14.07.2022 № 141-VII (shall be enforced upon expiry of ten calendar days after the day of its first official publication); № 71-VIII of 06.04.2024 (shall enter into force sixty calendar days after the date of its first official publication); dated 30.06.2025 № 200-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication); dated 30.06.2025 № 204-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

## **Article 2. The scope of this Law**

1. Effect of this Law shall be distributed to:  
individual entrepreneurs;  
legal entities, branches, representatives and permanent institutions of foreign legal entities, registered in the territory of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan (hereinafter – organization).

2. Individual entrepreneurs shall have a right not to carry out maintenance of accounting (except for the preparation and storage of primary documents) and preparation of financial reporting upon correspondence at the same time to the following conditions:

1) apply, in accordance with the tax legislation of the Republic of Kazakhstan, a special tax regime based on a simplified declaration, and whose income for the calendar year does not exceed 135,000 times the monthly calculation indicator established by the law on the republican budget for the relevant financial year and in effect on January 1 of the relevant financial year;

- 2) are not registered on the value added tax;
- 3) are not subjects of natural monopolies.

Upon inconsistency to the one of conditions, specified in this paragraph, individual entrepreneur shall be obliged to carry out maintenance of accounting and preparation of financial reporting from the month following the month in which there was such inconsistency.

Individual entrepreneur conforming to the conditions, specified in this paragraph, and make its own decision on maintenance of accounting and financial reporting shall have a right to carry out maintenance of such accounting from the month following the month, in which such decision was adopted.

3. Small businesses, as well as legal entities operating exclusively through exchange offices on the basis of a license of the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, prepare financial statements in accordance with the national standard unless otherwise provided by this article.

3-1. Subjects of medium business, as well as the state enterprises, based on the right of operative management (public enterprise) shall prepare financial reporting in accordance with international standards for small and medium business, unless otherwise provided by this Article.

3-2. Small and medium-sized business entities that are microfinance organisations that are not public interest entities shall maintain accounting records and prepare financial statements in line with the International Standard for Small and Medium-Sized Businesses and regulatory legal acts of the National Bank of the Republic of Kazakhstan on accounting and financial reporting issues.

4. Subjects of large business and organization of public interests shall be obliged to prepare financial reporting in accordance with international standards.

Financial organisations (excluding organisations engaged in microfinance activities, which are small and medium-sized enterprises and are not public interest organisations) shall maintain accounting records and prepare financial statements as per international standards and regulatory legal acts of the National Bank of the Republic of Kazakhstan on accounting and financial reporting issues.

Special purpose financial companies and Islamic special purpose financial companies maintain accounting records and prepare financial statements in accordance with international standards.

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 maintain accounting records and prepare reports on accounting data in accordance with international standards and regulatory legal acts of the National Bank of the Republic of Kazakhstan.

5. By the decision of governing bodies, approved accounting policy:

1) organizations, specified in paragraph 3 of this Article shall have a right to prepare financial reporting in accordance with international standards or international standards for small and medium business;

2) organisations listed in paragraphs 3-1 and 3-2 of this article shall be entitled to prepare financial statements consistent with international standards.

Footnote. Article 2 as amended by the Laws of the Republic of Kazakhstan dated 10.12.2008 № 101-IV (shall be enforced from 01.01.2009); dated 21.07.2011 №. 467-IV (shall be enforced from 01.01.2012); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated 28.12.2016 № 34-VI (shall be enforced from 01.01.2017); dated 02.07.2018 № 168-VI (shall be enforced upon expiration of ten calendar days from the date of its first official publication); dated 03.07.2019 № 262-VI (the order of enforcement see Art. 2); № 52-VII of 24.06.2021 (shall take effect on 01.01.2022); dated 12.07.2022 № 138-VII (shall be enforced upon expiry of sixty calendar days after the day of its first official publication); № 71-VIII of 06.04.2024 (shall be enacted sixty calendar days after the date of its first official publication); dated 18.07.2025 № 215-VIII (shall come into effect from 01.01.2026).

### **Article 3. The legislation of the Republic of Kazakhstan on accounting and financial reporting**

1. The legislation of the Republic of Kazakhstan on accounting and financial reporting shall be based on the Constitution of the Republic of Kazakhstan and 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.

## **Chapter 2. SYSTEM OF ACCOUNTING AND FINANCIAL REPORTING**

### **Article 4. Purpose of accounting and financial reporting**

The purpose of accounting and financial reporting shall be ensuring of interested persons by complete and reliable information on financial position, results of activity and changes in the financial position of individual entrepreneurs and organizations.

### **Article 4-1. The task of regulation in the field of accounting and financial reporting**

The objective of regulation in the field of accounting and financial reporting shall be establishing a legal basis for providing stakeholders with reliable information.

Footnote. Chapter 2 - supplemented by Article 4-1 in accordance with the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

### **Article 5. Principles and basic qualitative characteristics of accounting and financial reporting**

1. Principles of maintenance of accounting and preparation of financial reporting shall be accrual and continuity.

2. Basic qualitative characteristics of financial reporting shall be understandability, relevance, reliability and comparability.

## **Article 6. System of accounting**

1. Accounting shall represent an ordered system of collection, registration and generalization of information on transactions and events of individual entrepreneurs and organizations, regulated by the legislation of the Republic of Kazakhstan on accounting and financial reporting, as well as accounting policy.

2. Accounting policy shall represent specific principles, bases, regulations, rules and practices, accepted for application by individual entrepreneur or organization for maintenance of accounting and preparation of financial reporting in accordance with requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting, international or national standards, international standards for small and medium business and model chart of accounts of accounting, based on their needs and features of activity.

3. Transactions and events are recorded in the system of accounting, upon that shall be ensured:

- 1) adequate reinforcements accounting records by original primary documents and recognition in the accounting records of all transactions and events;
- 2) chronological and timely registration of transactions and events;
- 3) bringing to conformity of synthetic (final) accounting with analytical (detailed).

4. Transactions and events shall be reflected on synthetic accounts by double entry method based on the plan of accounts of accounting of organisations complying with the standard plan of accounts of accounting approved by the authorised body and (or) the National Bank of the Republic of Kazakhstan.

Procedure of maintenance of analytical accounting of transactions and events shall be established by individual entrepreneur or civil servants of legal entity (hereinafter – management), which in accordance with the legislative acts of the Republic of Kazakhstan and constitutive documents carry out current management and conducting of cases, based on the needs of the individual entrepreneur or organization.

5. Individual entrepreneurs and organizations shall ensure maintenance of accounting and preparation of financial reporting on the State and (or) Russian languages.

**Footnote. Article 6 as amended by the Laws 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); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); № 71-VIII of 06.04.2024 (shall come into force sixty calendar days after the date of its first official publication).**

## **Article 7. Accounting documentation**

Until 1 January, 2013 throughout the text of Article 7 of the Law of the Republic of Kazakhstan “On accounting and financial reporting” the words “identification number” shall consider as the words “registration number of taxpayer” in accordance with 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. Accounting documentation shall include primary documents, registers of accounting, financial reporting and accounting policy.

Accounting records shall be made on the basis of primary documents.

2. Forms and requirements to primary documents, applied for execution of transactions or events shall be approved by the authorized body and (or) National Bank of the Republic of Kazakhstan in accordance with the legislation of the Republic of Kazakhstan.

3. Individual entrepreneurs and organisations shall independently develop primary documents, both in hard copy and in electronic form, the forms or requirements to which are not approved in line with paragraph 2 hereof, or shall apply the forms or requirements approved in obedience to the legislation of the Republic of Kazakhstan or apply to the accounting forms submitted by non-resident individuals or non-resident legal entities not registered in the territory of the Republic of Kazakhstan, which shall contain the compulsory details as follows:

- 1) the name of document (form);
- 2) the date of preparation;
- 3) the name of organization or surname and initials of individual entrepreneur, on behalf of which a document is prepared;
- 4) content of transaction or event;
- 5) unit of measurement of transaction or event (in quantity and value terms);
- 6) the name of posts, surnames, initials and signs of persons, responsible for commission of transaction (approval of event) and correctness of its execution;
- 7) identification number.

3-1. Depending on the nature of transaction or event, requirements of regulatory legal acts of the Republic of Kazakhstan and method of processing of accounting information, if it does not contradict to the legislation of the Republic of Kazakhstan, additional requisites may be included to the primary documents.

4. Primary documents shall be prepared at the moment of commission of transaction or event or immediately after their termination.

5. Information contained in the primary documents received for accounting shall be collected and systematized in the accounting registers.

Data of accounting registers in the grouped type shall be transferred to the financial reporting.

6. Upon preparation of primary documents and registers of accounting on electronic media, individual entrepreneurs and organizations shall make copies of such documents on paper for other participants of transactions, and well as at the request of the state bodies, to which such right in action is provided in accordance with the legislation of the Republic of Kazakhstan.

7. Corrective action in the cash and bank primary documents shall not be allowed. In other primary documents corrections may be made only by coordination with participants of transactions, that shall be approved by the signatures of the same persons, which are signed the documents with specification of the date of making corrections.

**Footnote. Article 7 as amended by the Laws 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); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after its first official publication); № 358-VI of 03.07.2020 (shall come into force one year after the date of its first official publication).**

## **Article 8. Organization of accounting**

1. Management or individual entrepreneur shall:

1) coordinate and (or) approve accounting policy;  
2) ensure organization of accounting, as well as existence of approved internal documents, regulating procedure of recognition in the accounting of all committed transactions of organization.

2. Management or individual entrepreneur depending on the amount of accounting work may:

1) establish an accounting service as structural subdivision, headed by the chief accountant;  
2) introduce position of chief accountant in the staff;  
3) transfer maintenance of accounting and preparation of financial reporting of accounting or audit organization or professional accountant on the contract basis;  
4) maintain accounting personally.

The effect of subparagraphs 1), 2), 3) and 4) of this paragraph shall not apply to the offices of the National Bank of the Republic of Kazakhstan and state Islamic special financial companies.

Accounting and financial reporting of state Islamic special financial companies shall be carried out by the central authorized body for budget execution.

The public interest organizations, 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 are not subject to subparagraphs 3) and 4) of this paragraph.

A member organisation of a foreign institute that is a full member of the International Federation of Accountants shall be equated to an accounting organisation.

**Footnote. Article 8 as amended 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); dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016); dated**

03.07.2019 № 262-VI (shall be enforced from 16.12.2020); № 71-VIII of 06.04.2024 (shall become effective sixty calendar days after the date of its first official publication).

## **Article 9. The head of the accounting service**

The head of the accounting service (hereinafter – chief accountant) shall be the chief accountant or other civil servant, ensuring maintenance of accounting, preparation and presentation of financial reporting, formation of accounting policy.

A professional accountant is appointed to the post of the chief accountant of a public interest organization of a branch of a bank - non-resident of the Republic of Kazakhstan, a branch of an insurance (reinsurance) company - non-resident of the Republic of Kazakhstan, a branch of an insurance broker - non-resident of the Republic of Kazakhstan.

**Footnote. Article 9, as amended by the laws of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 16.12.2020).**

## **Article 10. The right to sign the accounting documents**

1. Management or individual entrepreneur shall determine persons, having the right to sign the accounting documents. Upon that hierarchy of the right to sign may be established depending on position held, sums of money, scope and nature of transaction.

2. Individual entrepreneurs or organizations, using electronic signatures shall establish appropriate measures of precautionary and control, concerning the rights of the use and access to the electronic signatures in accordance with the legislation of the Republic of Kazakhstan.

## **Article 11. Storage of accounting documentation**

Individual entrepreneurs shall be obliged to store the primary documents, registers of accounting on paper and (or) electronic media, financial reporting, accounting policy, programs of electronic processing of accounting data during period established by the legislation of the Republic of Kazakhstan.

## **Article 12. The secret of accounting information**

1. The content of primary documents and registers of accounting shall be information, consisting trade secret, an access of which is provided only to the persons, which have permission of management or individual entrepreneur, as well as civil servants of the state bodies in accordance with the Laws of the Republic of Kazakhstan.

2. Persons having an access to the specified documents shall be obliged not to disclose information contained in them without the consent of their owner and do not have a right to use it in the personal interests. Persons having an access to information, consisting trade secret shall bear responsibility for its disclosure in accordance with the Laws of the Republic of Kazakhstan.

## **Chapter 3. FINANCIAL REPORTING**

### **Article 13. Elements of financial reporting**

1. Elements of financial reporting related with assessment of financial position shall be assets, liabilities and capital.

Assets – resources, controlled by individual entrepreneur or organization in the results of past events, from which reception of future economic benefits is expected.

Liability – existing obligation of individual entrepreneur or organization, arising from past events, regulation of which will lead to retirement of resources, contained economic benefits.

Capital – a share in the assets of individual entrepreneur or organization, remaining after deduction of all liabilities.

2. The elements directly related with measurement of results of activity in the profit and loss report shall be incomes and expenditures.

Incomes – increase of economic benefits during accounting period in the form of inflow or increase of assets or reduction of liabilities, which lead to capital increase, other than increasing related with contributions of persons, participating in the capital.

Expenditures – reduction of economic benefits during accounting period in the form of outflow or reduction of assets or occurrence of liabilities, which lead to the capital reduction, other than increasing related with distribution to the persons, participating in the capital.

### **Article 14. Assessment and accounting of elements of financial reporting**

1. Assessment of elements of financial reporting – determination of sums of money, on which these elements shall be recognized and recorded in the accounting and financial reporting. Methods and procedure of application of assessments shall be established in accordance with international standards, international standards for small and medium business and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

2. Methods of accounting and procedure of recognition of elements of accounting shall be established in accordance with international standards, international standards for small and medium business and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

**Footnote. Article 14 as amended by the Law of the Republic of Kazakhstan dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013).**

### **Article 15. Financial reporting**

1. Financial reporting shall represent information on financial position, results of activity and changes in the financial position of individual entrepreneur or organization.

2. Financial reporting, except for the accounting of the state institutions shall include:

- 1) accounting balance;
- 2) profit-and-loss report;
- 3) statement of cash receipts and disbursements;
- 4) statement on changes in the capital;
- 5) explanatory note.

Procedure of preparation of financial reporting and additional requirements for it shall be established in accordance with international standards, international standard for small and medium business and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting.

3. The volume, forms and procedure for preparing financial statements of state institutions, except for the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations, shall be established by the budget legislation of the Republic of Kazakhstan.

4. Financial reporting shall be signed by the management and the chief accountant of organization, individual entrepreneur.

Financial reporting of organization, in which accounting is maintained by the accounting organization or professional accountant, as well as the head of accounting organization or professional accountant.

Financial reporting of organization of public interest shall be signed by the management and chief accountant, being professional accountant.

**Footnote. Article 15 as amended by the Laws of the Republic of Kazakhstan dated 04.12.2008 № 97-IV (shall be enforced from 01.01.2013); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 19.06.2024 № 97-VIII (shall come into effect from 01.07.2024).**

## **Article 16. International Accounting Standards and Code of Ethics**

1. Organisations shall prepare their financial statements in conformity with international standards and the international standard for small and medium-sized enterprises.

2. International Standards and the International Standard for small and medium-sized enterprises may be published in the state language and, if needed, in Russian by an organisation that has written permission for their official translation and (or) publication in the Republic of Kazakhstan from the International Accounting Standards Foundation.

Professional accountants, accounting and professional organisations must implement their activities under the Code of Ethics. The Code of Ethics may be published in the state language and, if required, in Russian by an organisation that has written permission for its official translation and (or) publication in the Republic of Kazakhstan from the International Federation of Accountants.

**Footnote. Article 16 as reworded by Law of the RK № 325-VI of 13.05.2020 (shall be enacted six months after the date of its first official publication); as amended by Law of the**

RK № 71-VIII of 06.04.2024 (shall come into force upon expiry of sixty calendar days after the day of its first official publication).

## **Article 17. Consolidated financial reporting**

Organizations having subsidiary organizations, except for the financial reporting on activity of basic organization shall be obliged to prepare and present consolidated financial reporting in accordance with requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting

## **Article 18. Accounting period**

1. The reporting period is the period for which the organization presents financial statements.

The reporting period for the annual financial statements is the calendar year, starting from January 1 to December 31.

2. First accounting year for the new created organization shall be begun from the date of its state registration to 31 December of the same years.

**Footnote. Article 18 as amended by the Law of the Republic of Kazakhstan dated 24.11.2015 № 422-V (shall be enforced from 01.01.2016).**

## **Article 19. Presentation of financial reporting**

1. Organization shall present financial reporting to:

1) incorporators (participants) in accordance with constituent documents;

2) authorized body in the field of the state statistics on place of the state registration;

3) bodies of the state control and supervision of the Republic of Kazakhstan in accordance with their competence;

4) their main organization, in relation to which they are subsidiaries, in the manner determined by the main organization, including the list, forms and terms.

2. Financial reporting shall be presented in national currency of the Republic of Kazakhstan.

3. Organizations other than those subject to the requirements of paragraph 3-1 of this Article shall submit annual financial statements no later than 30 April of the year following the reporting year.

3-1. Financial organizations (except for legal entities operating exclusively through exchange offices based on a license from the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, and legal entities whose exclusive activity is the collection of banknotes, coins and valuables) shall submit annual financial

reports within the timeframes established by the National Bank of the Republic of Kazakhstan in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

4. Within the period specified in Article 18 of this Law, the founders (participants) shall have the right to determine the deadlines for submitting interim financial statements and establish a different frequency, but not less than once a year.

4-1. To ensure the transparency and reliability of the data included in the consolidated financial statements, the main organization has the right to determine the procedure for the application by subsidiaries of a unified accounting policy, inventory of the property of subsidiaries and other issues related to the transparency and reliability of financial statements of subsidiaries.

5. Submission of consolidated financial statements is made in accordance with paragraphs 1, 2, 3, 3-1 and 4-1 of this article.

6. Excluded by the Law of the Republic of Kazakhstan dated 24.11.2015 № 422-V (shall be enforced dated 01.01.2016).

7. Under a decision of the Government of the Republic of Kazakhstan, a depository shall be established for public interest entities, charged with submitting financial statements thereto in a procedure determined by an authorised body.

Footnote. Article 19 as amended by the Laws of the Republic of Kazakhstan dated 19.03.2010 № 258-IV; 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 12.01.2012 №. 539-IV (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.11.2012 № 57-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 24.11.2015 №. 422-V (shall be enforced dated 01.01.2016); №. 156-VI dd. 24.05.2018 (shall be enforced upon the expiration of ten calendar days after the date of its first official publication); №. 168-VI dd. 02.07.2018 (effective after ten calendar days from the date of its first official publication); dated 03.07.2019 № 262-VI (the order of enforcement see Art. 2); № 399-VI of 02.01.2021 (shall go into effect on 01.01.2021); № 75-VII of 24.11.2021 (shall take effect ten calendar days after the date of its first official publication); dated 01.07.2024 № 107-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication).

**Article 19-1. Submission of reports on accounting data by 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**

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 submit financial statements on the accounting data within the timeframes, established by regulatory legal acts of the National Bank of the Republic of Kazakhstan in agreement with the authorized body for regulation, control and supervision of the financial market and financial organizations.

**Footnote. Chapter 3 is supplemented with Article 19-1 in accordance with the Law of the Republic of Kazakhstan dated 03.07.2019 № 262-VI (shall be enforced from 16.12.2020).**

## **CHAPTER 4. REGULATION OF SYSTEM OF ACCOUNTING AND FINANCIAL REPORTING**

### **Article 20. The state regulation of the system of accounting and financial reporting**

1. The state regulation of the system of accounting and financial reporting in the Republic of Kazakhstan shall be created by the President of the Republic of Kazakhstan, the Government of the Republic of Kazakhstan and authorized body.

1-1. The Government of the Republic of Kazakhstan shall perform the functions assigned to it by the Constitution, laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan.

1) Is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication);

2) Excluded by Law of the RK № 75-VII of 24.11.2021 (shall be enacted ten calendar days after the date of its first official publication).

3) Is excluded by the Law of the Republic of Kazakhstan dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication);

3-1) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015);

3-2) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015);

4) exercise other functions, imposed on it by the Constitution, the Laws of the Republic of Kazakhstan and acts of the President of the Government of the Republic of Kazakhstan.

2. State regulation of the accounting and financial reporting system in state institutions, except for the National Bank of the Republic of Kazakhstan and the authorized body for regulation, control and supervision of the financial market and financial organizations, shall be established by the budget legislation of the Republic of Kazakhstan.

3. State regulation of the accounting and financial reporting system in the National Bank of the Republic of Kazakhstan and its departments shall be carried out by the Board of Directors of the National Bank of the Republic of Kazakhstan.

State regulation of the accounting and financial reporting system in the authorized body for regulation, control and supervision of the financial market and financial organizations shall be carried out by the authorized body for regulation, control and supervision of the financial market and financial organizations through the development and approval, in agreement with the National Bank of the Republic of Kazakhstan:

1) the procedure for maintaining accounting records in the authorized body for regulation, control and supervision of the financial market and financial organizations;

2) a standard chart of accounts for accounting and forms of financial reporting of the authorized body for regulation, control and supervision of the financial market and financial organizations.

4. State regulation of the accounting and financial reporting systems in financial institutions, 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, and the Development Bank of Kazakhstan shall be carried out by the National Bank of the Republic of Kazakhstan.

5. An authorized body shall:

1) form and implement state policy in the field of accounting and financial reporting;

2) develop and approve regulatory legal acts of the Republic of Kazakhstan in the field of accounting and financial reporting in accordance with the purpose and objective of this Law and the legislation of the Republic of Kazakhstan;

3) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication);

4) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication);

5) ensure introduction of relevant changes to the legislation of the Republic of Kazakhstan in recognition of suggestions of consultative body in the case of existence of contradictions of the legislation of the Republic of Kazakhstan on issues of accounting and financial reporting to the requirements of international standards, international standards for small and medium business;

6) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication);

7) Excluded by Law of the RK № 75-VII of 24.11.2021 (shall come into force ten calendar days after the date of its first official publication).

8) Is excluded by the Law of the Republic of Kazakhstan dated 13.01.2014 № 159-V ( shall be enforced upon expiry of ten calendar days after its first official publication);

- 9) consider suggestions of consultative body on development of projects of regulatory legal acts of the Republic of Kazakhstan on issues of accounting and financial reporting;
- 10) conduct accreditation of professional organizations, organizations on certification;
- 11) develop and approve the rules of accreditation of professional organizations, organizations on certification;
- 11-1) approve the rules of conducting of certification of candidates for the professional accountants;
- 12) approves the qualification requirements for candidates for professional accountants, based on the recommendations of the advisory body;
- 12-1) approve the rules of raising of qualification of professional accountants;
- 13) give prevention to the professional organizations, organizations on certification in the case of facts of non-observance of rules of accreditation;
- 14) adopt decision on withdrawal of certification on accreditation of professional organization, organization on certification;
- 15) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication);
- 16) publish the list of professional organizations, organizations on certification in the periodic printed publications, distributed throughout the territory of the Republic of Kazakhstan, received the right of official publication of regulatory legal acts in the established procedure, in the state and Russian languages;
- 17) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication);
- 18) Excluded by Law of the RK № 75-VII of 24.11.2021 (shall be enacted ten calendar days after the date of its first official publication);
- 18-1) Excluded by the Law of the Republic of Kazakhstan dated 01.07.2024 № 107-VIII ( shall come into effect upon expiry of sixty calendar days after the date of its first official publication).
- 19) coordinate the form of certificate;
- 20) carry out the state control in the field of accounting and financial reporting and for activity of professional organizations and organizations on certification;
- 21) Is excluded by the Law of the Republic of Kazakhstan dated 29.12.2014 № 269-V ( shall be enforced from 01.01.2015);
- 22) exercise other powers, provided by this Law, other Laws of the Republic of Kazakhstan, acts of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

6. The National Bank of the Republic of Kazakhstan shall:

1) develop and approve financial reporting standards for financial organizations on issues not regulated by international standards, as well as methodological recommendations for them ;

2) to achieve the goals and objectives established by this Law, other laws of the Republic of Kazakhstan and acts of the President of the Republic of Kazakhstan, develop and approve regulatory legal acts of the Republic of Kazakhstan on accounting and financial reporting for financial organizations, 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 and the Development Bank of Kazakhstan, as well as legal acts on accounting and financial reporting for subsidiaries of the National Bank of the Republic of Kazakhstan;

3) exercise control over compliance by legal entities operating exclusively through exchange offices based on a license from the National Bank of the Republic of Kazakhstan for exchange operations with foreign currency in cash, with the requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting and international standards;

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

6-1. The authorized body, together with the National Bank of the Republic of Kazakhstan, shall approve the procedure for determining the market exchange rate for currency.

7. The Authorised Body for Regulation, Control and Supervision of the Financial Market and Financial Organisations shall exercise control over compliance with the accounting and financial reporting legislation of the Republic of Kazakhstan by financial organisations, (with the exception of legal entities operating exclusively through exchange bureaux under a licence of the National Bank of the Republic of Kazakhstan for foreign currency exchange operations, and legal entities the exclusive business of which is the collection of banknotes, coins and valuables), branches of non-resident banks of the Republic of Kazakhstan, branches of non-resident insurance (reinsurance) organisations of the Republic of Kazakhstan, branches of non-resident insurance brokers of the Republic of Kazakhstan.

**Footnote. Article 20 as amended by the Laws of the Republic of Kazakhstan dated 04.12.2008 № 97-IV (shall be enforced from 01.01.2013); dated 17.07.2009 № 188 (the order of enforcement see Article 2); dated 19.03.2010 № 258-IV; dated 06.01.2011 № 378-IV (shall be enforced upon expiry of ten calendar days after its first official publication); 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 12.01.2012 № 539-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 10.07.2012 № 36-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 26.11.2012 № 57-V (shall**

be enforced upon expiry of ten calendar days after its first official publication); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 13.01.2014 № 159-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 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); dated 29.12.2014 № 269-V (shall be enforced from 01.01.2015); ;dated 24.11.2015 № 422-V (shall be enforced dated 01.01.2016); dated 02.07.2018 № 168-VI (shall be enforced upon the expiration of ten calendar days from the date of its first official publication); dated 03.07.2019 № 262-VI (the order of enforcement see Art. 2); № 399-VI of 02.01.2021 (shall come into force from 01.01.2021); № 75-VII of 24.11.2021 (shall be enacted ten calendar days after the date of its first official publication); № 71-VIII of 06.04.2024 (shall enter into force sixty calendar days after the date of its first official publication); dated 19.06.2024 № 97-VIII (shall come into effect on 01.07.2024); dated 01.07.2024 № 107-VIII (shall come into effect upon expiry of sixty calendar days after the date of its first official publication); dated 18.07.2025 № 215-VIII (shall come into effect from 01.01.2026).

#### **Article 20-1. State control in the field of accounting and financial reporting**

1. State control in the field of accounting and financial reporting shall be exercised in the form of an inspection conducted for meeting qualification or authorisation requirements for issued permits, requirements for notifications sent under the Law of the Republic of Kazakhstan “On Permits and Notifications”, and preventive control with a visit to the entity (facility) being controlled.

2. Inspections conducted for compliance with qualification or authorisation requirements for issued permits, requirements for notifications sent under the Law of the Republic of Kazakhstan “On Permits and Notifications”, and preventive control with a visit to the entity (facility) under control shall be exercised as specified in the Entrepreneurial Code of the Republic of Kazakhstan.

Footnote. Supplemented with Article 20-1 – RK 17.07.2009 № 188-IV (see article 2 for the procedure for implementation); as revised by Law № 71-VIII of the Republic of Kazakhstan of 06.04.2024 (shall be enacted sixty calendar days after the day of its first official publication).

#### **Article 21. Non-state regulation of the system of accounting and financial reporting**

1. Consultative body shall be created in the form of consultative-advisory body, the composition of which is approved by the authorized body in coordination with the National Bank of the Republic of Kazakhstan and operates on the basis of provision on it.

2. The composition of consultative body shall include the state bodies, non-commercial organizations, subjects of private enterprise, and organizations with the share of participation of the state, state enterprises.

3. Consultative body shall have a right to:

1) submit proposals on improvement of the legislation of the Republic of Kazakhstan on issues of accounting and financial reporting to the authorized body;

2) submit proposals on revision and development of guidelines on application of standards of financial reporting to the authorized body;

3) participate in development of the national standards and guidelines to them;

4) carry out interaction with international organizations in the field of accounting and financial reporting.

4. Consultative body shall be obliged to:

1) carry out analysis on existence of contradictions of the legislation of the Republic of Kazakhstan on accounting and financial reporting to the requirements of international standards, international standards for small and medium business and submit relevant suggestions to the authorized body;

2) participate in development of regulatory legal acts of the Republic of Kazakhstan on issues of accounting and financial reporting.

5. Professional organization shall comply with the following permitting requirements:

1) presence in the composition of professional organization at least three hundred professional accountants;

2) excluded by Law № 325-VI of 13.05.2020 (shall be enacted six months after the date of its first official publication);

3) existence of the system of raising of qualification of their members;

4) compliance with the rules of accreditation.

6. Structure and working bodies of professional organization shall be determined by its charter and shall comply with the rules of accreditation.

7. The head of a professional entity shall not be a person who has an unexpunged or outstanding criminal record.

The head of a professional entity shall be elected for a term not exceeding four years and may not be re-elected for two consecutive terms of office.

8. Professional organization shall have a right to:

1) carry out functions in relation of its members, provided by its charter and not contradicted to this Law;

2) participate in development of national standards and guidelines to them;

3) participate in development of regulatory legal acts of the Republic of Kazakhstan on issues of accounting and financial reporting;

4) analyze, generalize and distribute the positive experience in the scope of accounting and financial reporting;

5) participate in consideration of materials on accreditation of organizations on certification.

9. Professional organization shall be obliged to:

1) comply with the laws of the Republic of Kazakhstan on accounting and financial reporting and the Code of Ethics;

2) delegate the members of professional organization to the composition of consultative body in the amount, established by the rules of accreditation and ensure their full work;

3) present reporting on their activity in the procedure established by them, to the authorized body;

4) consider requests on application of international and national standards;

5) conclude agreements on interaction with one or several organizations on certification;

6) require compliance by accounting organizations and professional accountants engaged in business activities in the field of accounting who are its members with the Law of the Republic of Kazakhstan "On Combating Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction";

7) report to the financial monitoring authority information about violations by accounting organizations and professional accountants engaged in business activities in the field of accounting who are its members, of the Law of the Republic of Kazakhstan "On Combating Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction".

10. Organization on certification shall be obliged to:

1) observe the legislation of the Republic of Kazakhstan on accounting and financial reporting;

2) present reporting on its activity in the established procedure to the authorized body;

3) provide information on measures taken on complete elimination of violations and disadvantages.

4) to conduct examinations on examination modules that are in accordance with the legislation of the Republic of Kazakhstan on accounting and financial reporting.

Footnote. Article 21 as amended by the Laws of the Republic of Kazakhstan 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 26.12.2012 № 61-V (shall be enforced from 01.01.2013); 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 12.11.2015 № 393-V (shall be enforced upon expiry of ten calendar days after the day its first official publication); № 325-VI of 13.05.2020 (shall come into force six months after the date of its first official publication); № 71-VIII of 06.04.2024 (shall be enforced sixty calendar days after the date of its first official publication); dated 19.09.2025 № 219-VIII (effective sixty calendar days after the date of its first official publication).

## **Article 22. Conditions of certification of candidates for the professional accountants**

1. Certification of candidates for the professional accountants shall be carried out by the organization on certification.
2. Organization on certification shall carry out development, publication and distribution of materials on programs of certification of candidates for the professional accountants, organize examination process.
3. Organization on certification shall comply with the following permitting requirements:
  - 1) existence of examination system not dependent on education;
  - 2) existence of exam modules, including review of the legislation of the Republic of Kazakhstan on accounting and financial reporting, system of their updating;
  - 3) existence of agreement on interaction with one or several professional organizations;
  - 4) compliance with the rules of accreditation, approved by the authorized body.
4. Candidates for professional accountants shall be eligible to participate in the examinations for obtaining a certificate in line with the qualification requirements for candidates for professional accountants.
5. Persons passed the exams shall receive certificate of united sample on the form, coordinated with the authorized body. Term of validity is not limited.

**Footnote.** Article 22 as amended by the Laws of the Republic of Kazakhstan dated 05.07.2011 № 452-IV (shall be enforced from 13.10.2011); dated 26.12.2012 № 61-V (shall be enforced from 01.01.2013); dated 16.05.2014 № 203-V (shall be enforced upon expiry of six months after its first official publication); dated 29.09.2014 № 239-V (shall be enforced upon expiry of ten calendar days after its first official publication); № 71-VIII of 06.04.2024 (shall be put into effect sixty calendar days after the date of its first official publication).

## **Article 23. Withdrawal of certification on accreditation**

1. An authorized body shall make decision on withdrawal of certification on accreditation of professional organization, organization on certification in the case, if:
  - 1) during the term, established by the rules of accreditation, professional organization did not delegated their representatives in the composition of consultative body;
  - 2) systematically (more than three times) during last three years violated the rules of accreditation;
  - 3) provide knowingly false information to the authorized body about themselves and its activity;
  - 4) not eliminated the reasons, on which the prevention of the authorized body was given or administrative punishments are imposed.
2. A professional body or certification organisation shall be entitled to appeal against the decision of the authorised body in the manner prescribed by the laws of the Republic of Kazakhstan.

Footnote. Article 23 as amended by Law № 351-VI of 29.06.2020 (shall take effect on 01.07.2021).

## **Article 24. Internal control**

1. Organization for ensuring of observance of the legislation of the Republic of Kazakhstan on accounting and financial reporting, accounting policy, effective conducting of operations, including measures on preservation of assets, prevention and revelation of the cases of theft and errors upon maintenance of accounting and preparation of financial reporting shall have a right to organize internal control.

2. Management shall ensure organization of internal control.

3. Control of the state institutions shall be conducted by the state bodies in accordance with the legislation of the Republic of Kazakhstan.

## **Chapter 5. FINAL PROVISIONS**

### **Article 25. Responsibility for violation of the legislation of the Republic of Kazakhstan on accounting and financial reporting**

Violation of the legislation of the Republic of Kazakhstan on accounting and financial reporting shall entail responsibility, provided by the Laws of the Republic of Kazakhstan.

## **Article 26. Transitional provisions**

1. This Law shall be enforced upon expiry of ten calendar days after its first official publication, except for the second part of Article 9, which is enforced from 1 January, 2012.

2. Documents approving qualification of professional accountant and recognized by the authorized body, issued before enforcement of this Law are valid.

3. Standards of accounting shall be applied before enforcement of national standards by the individual enterprises and organizations, specified in paragraph 3 of Article 2 of this Law.

4. Shall be deemed to have lost force the Law of the Republic of Kazakhstan from 26 December, 1995 “On accounting and financial reporting” (Bulletin of Supreme Council of the Republic of Kazakhstan, 1995, № 24, Article 171; Bulletin of the Parliament of the Republic of Kazakhstan, 1997, № 13-14, Article 205; 1999, № 20, Article 727; 2001, № 24, Article 338; 2002, № 12, Article 116; 2003, № 15, Article 139; 2004, № 11-12, Article 66; 2006, № 4, Article 24; № 8, Article 45).

Footnote. Article as amended by the Law of the Republic of Kazakhstan dated 23.10.2008 № 72-IV (the order of enforcement see Article 2).

The President  
of the Republic of Kazakhstan

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